The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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The Sure Way to Court Disaster . . . . By C. Y. Hsieh

SATURDAY, NOVEMBER 17, 1934 VOLUME 70, NUMBER 12

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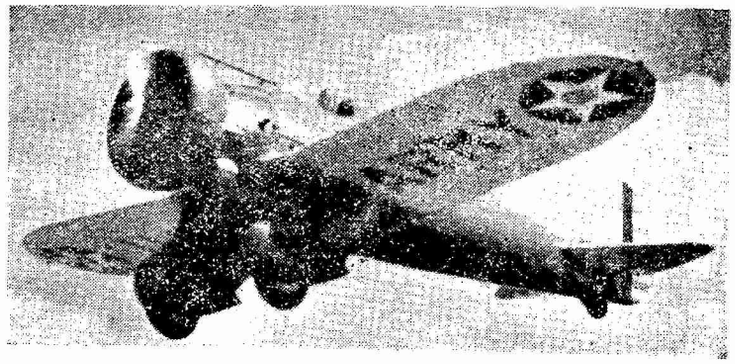

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Shanghai, Nov. 14, 1934

Demand selling rate on America :	U.S.$1.00=Sh. $ 2.98
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Demand selling rate on London :	£1.0.0=Sh. $14.94
Demand buying rate on London :	£1.0.0=Sh. $14.63

Latest New York Stock Exchange Quotations

Business Done:- 1,360,000 Shares

November 14, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCKS	Last Sale Nov. 10	Last Sale Nov. 13
13¾	3	—	Adams Express	7¾	7⅞
112	47½	3.00	Air Reduction	107½	108
33	11⅛	1.20	Alaska Juneau	18	17⅝
160¾	70¾	6.00	Allied Chemical	133¾	134¼
26⅝	6	—	Allis Chalmers	14⅝	14½
42½	9⅛	0.80	Am. Brake Shoe & Fdry.	25	25¾
107¾	49½	4.00	American Can	104½	104¼
89⅞	13	—	Amer. Commil. Alcohol	29¼	29⅜
22½	3¼	0.25	Amer. Cyanamid "B"	16¾	17
19⅝	3⅞	—	American & Foreign Power	5¾	5¼
27⅝	3½	—	American Metal Company	15⅛	15
53½	10¾	—	American Smelting	36¾	36⅝
134¾	86½	9.00	American Tel. & Tel.	112½	111½
94¾	50¾	5.00	American Tobacco "B"	82¾	83
43¼	10⅞	1.00	American Waterworks	15½	14
22⅞	5	—	Anaconda Copper	11¼	11¼
18⅝	5⅞	—	Atlas Corporation	9	9
84¼	16⅞	—	Auburn	25⅞	25¾
37⅞	8¼	—	Baltimore & Ohio	15⅝	15½
49½	10⅜	—	Bethlehem Steel	27¾	27⅝
37½	18	1.60	Borden Company	26¼	26⅝
28⅝	5½	1.00	Borg Warner	27¼	27½
20⅞	7½	—	Canadian Pacific Railway	12	12⅛
103½	30½	—	Case, J. I.	50⅞	51
40¾	15⅞	1.40	Chase National Bank	25	24⅝
52½	14⅝	2.50	Chesapeake Corporation	39¾	38¾
60⅝	7¾	1.00	Chrysler	36⅝	36⅜
28½	7⅜	—	Columbia Gas & Electric	8⅜	7⅞
6½	1¼	—	Commonwealth & Southern (ord.)	1⅜	1⅜
64½	25¼	2.00	Consolidated Gas of N. Y.	26¼	24½
23¾	4⅞	1.00	Continental Oil	18½	18⅝
9⅞	2	—	Coty Inc.	5⅛	5
5¼	1½	—	Curtiss Wright Company	2⅞	2⅝
93¾	35	—	Delaware & Hudson	40½	41
28½	10¼	—	Douglas Aircraft	20⅝	21⅝
103⅞	32⅛	2.60	Du Pont de Nemours	96⅞	97⅜
110½	46	4.00	Eastman Kodak	110½	110
41⅝	9⅛	—	Electric Bond & Share	10	9½
15⅝	3⅞	—	Electric Power & Ligh	3¾	3½
19	8¼	—	Fox Film "A"	13¾	13¼
50⅝	16⅞	2.00	Freeport Texas	27	27
10⅝	2⅞	—	General Aviation	3⅞	3¾
30¼	10½	0.60	General Electric	19⅜	19¼
39⅞	21	1.80	General Foods	34⅛	33⅞
42	10	1.00	General Motors	31⅛	30⅞
40¼	13¼	1.00	General Railway Signal	28	29
27⅝	12	1.20	Gold Dust	17¾	17⅝
47¼	9¼	—	Goodyear Tire & Rubber	23⅝	23
81½	15	3.00	Hercules Pwdr. Co.	75	74½
57¼	35	3.00	Howe Sound	49¼	48½
40	6½	—	International Cement	25⅜	24¼
46⅞	13½	0.60	International Harvester	36	36½
29¼	6¾	0.60	International Nickel	23⅞	23⅝
21⅝	5½	—	International Tel. & Tel.	9⅝	9⅜
66⅝	12¼	—	Johns Manville	54¼	54⅞
26	7⅝	0.60	Kennecott	17¾	17
79⅝	37½	2.40	Lehman Corporation	69	69⅜
104⅞	49	4.00	Liggett & Myers "B"	104¼	104½
36½	8½	1.00	Loew's Inc.	31⅝	31
25¼	10⅝	1.20	Lorillard	18½	18⅝
35⅝	8⅝	—	Montgomery Ward	29⅛	28¾
43	16⅞	1.00	National City Bank	21¾	21⅛
33¼	16¼	—	National Distillers	22⅞	23
58½	14	—	New York Central	22	21⅝
26½	12⅛	4%S	North American	12⅞	11¾
96¾	31½	4.00	Owens Illionois Glass	82	82⅛
21⅞	13¼	1.50	Pacific Gas & Electric	15½	15
6⅞	1¾	—	Packard Motors	3¾	3¾
6⅝	1¼	—	Pennroad Corporation	2¼	2⅛
42½	18¾	1.00	Pennsylvania Railroad	23⅜	23½
20⅝	4¾	1.00	Phillips Petroleum	15⅛	15⅞
12¼	3	—	Radio Corporation	6⅛	5⅞
54¼	26½	3.00	Reynolds Tobacco "B"	49⅜	49½
51¾	12⅛	—	Sears Roebuck	41⅞	41
19⅞	6	0.60	Socony-Vacuum	14½	15
28	10¼	1.50	Southern California Edison	14	13¼
22½	5½	—	Standard Gas & Electric	7⅛	6⅝
50⅜	22¾	1.00	Standard Oil Co. of N. J.	43	43¾
66½	45⅝	3.80	Sterling Products	61⅝	60
9¼	1½	—	Studebaker	2¾	2⅛
30½	10¾	1.00	Texas Corporation	22	22½
9⅝	2⅝	0.12	Transamerica	5⅞	5⅞
58½	19¾	1.40	Union Carbide & Carbon	45½	45⅝
133⅞	61¼	6.00	Union Pacific	105	103¾
10½	8¼	—	United Aircraft (New)	9⅝	9⅝
14½	3⅝	—	United Corporation	3½	3¼
25	13⅝	1.20	United Gas Improvement	13⅞	13¼
51½	21½	2.00	Universal Leaf Tobacco	56⅞	56¾
25	2⅞	—	U. S. Rubber	16¾	16⅝
67½	23⅝	—	U. S. Steel	34⅞	34⅝
36¼	7⅝	—	Vanadium	18½	17⅞
13⅝	1	—	Warner Bros. Pictures	4¾	4¾
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The China Weekly REVIEW

Formely Millard's Review

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Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 70 | Shanghai, China, Saturday, November 17, 1934 | Number 12

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON V. KU, Advertising Dept.,; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG — S. Y. LEUNG

C. Y. HSIEH — PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

RABID FILM CENSORSHIP OPPOSED BY AMERICANS IN SHANGHAI

BEING an American publication, it is not seemly that we should indulge in any undue boasting about Americans in China relative to other foreigners, but it is a matter of record which has recently been confirmed anew that Americans out here display less obnoxious sensitiveness than most other nationalities to such things as truthful, or perhaps sometimes not so truthful, representation of themselves through mediums like the motion pictures.

This was pointed out in the October issue of *Asia* by Wilbur Burton, special correspondent here of the *Baltimore Sun* and a frequent contributor to the *China Weekly Review*, in an article on "Chinese Reations to the Cinema:"

> "The distributors (of motion pictures in China) must take into account both the formal censorship of films and objections, sometimes belligerent, of various foreign groups. There is no record, however, of any protest by American groups, although the United States is presented in more pictures than is any other country and presented more often in a questionable light."

Mr. Burton cited as an especially illminating example that splendid film "I Am a Fugitive From a Chain Gang," which presents the barbaric penal system prevailing in some American states. This film was barred from the International Settlement by the *British* police censors, presumably because it might lower white prestige,—but local Americans had nothing whatsoever to do with the ban, nor did they emit any squawks about it when it was shown at the Isis, outside the Settlement, where it had the longest run of any foreign motion picture in Chinese cinema history.

Of course, all Americans out here are not of one mind on film censorship or any other subject, whereby hangs this editorial. An American woman, Mrs. Mary F. Tooker, in Kuling, read Mr. Burton's article and in a letter written to the *North China Daily News* interpreted his statement quoted above as a "challenge" to Americans in China to rise *en masse* and protest against "the representation of all that is low in American life, and especially the degradation of American womanhood, as shown on the screen."

Mr. Burton, who has always been rather sparse in compliments to his fellow-Americans out here, replied with some heat that he had not issued any "challenge," adding,

> "And in stating that there was no record of Americans indulging in belligerent objections to pictures dealing with American life even when the presentation was offensive from the chauvinistic viewpoint, I felt that I was paying my fellow-countrymen out here a distinct compliment for being more liberal-minded and tolerant than many other nationals. Further, I cannot see that Americans nor any other nationals have any justification, except in rare instances, for protesting against cinematic presentation of their respective countries—unless, of course, they want to see themselves only as plaster-saints in Sunday school stories. The motion pictures may be frequently indicted for stupidity, and even more frequently for indulging in sickly romanticism, but these are offenses against intelligence and not against patriotism..... But lack of artistic merit is obviously not what Mrs. Tooker would protest against. Instead, she would attempt to prevent any honest representation, such as we sometimes see, of American gangsters, or prison conditions in certain American states, or of the general American breaking away from Queen Victoria's apron-strings."

Although the British *North China Daily News*, which took up the issue editorially, appeared to side to a certain extent with Mrs. Tooker, no Americans in Shanghai came to her support. Instead, all who joined in the discussion backed up Mr. Burton. One said that he had read Mrs. Tooker's letter "with something akin to a shudder," and that she had spoiled the "perfect record" of Americans in not being belligerently chauvinistic in this respect. Another said that "'blue nose' domination has been having a little too much of its own way out here lately and a check on its activities in this direction is most welcome."

So the matter rests for the present,—and we hope Americans will continue to be as tolerant in the future in this connection as they have been in the past. Certainly some past examples of belligerent chauvinism of other nationalities have been far from elevating. Several years ago, White Russians virtually raided the Embassy Theatre where "The Volga Boatman" revealed various aspects of Czarist terrorism, and a very prominent local Frenchman made himself ridiculous by publicly protesting the use of the music of the "Marseillaise" in the same film on the grounds that this stirring revolutionary anthem had never marked time for "violence or bloodshed!" Shades of the French Revolution! More recently, Italian sailors actually invaded the Capitol Theatre and carried away the films of "Street Angel" and "The Big Drive." Mrs. Tooker is most probably a devout lover of peace, but what she advocates would logically result in Americans indulging in similar antics.

Doubtless all Americans are at times offended by cinematic revelations of their native land. Personally, we were highly offended just this week in the Cathay Theater,—but what humbled our national pride was not a feature picture, but a *newsreel* of some freak religious sect in Alabama where old men and children alike were indulging in a highly obscene orgy around a quack evangelist who waved a rattlesnake over his head. But to object to its showing would be to object to a pictorial representation of what actually took place in the American backwoods,—and while Americans may rightfully sometimes be ashamed of the truth about their native land, they will ever stand higher among civilized men when they neither deny unpleasant facts nor attempt to suppress them.

EDUCATIONAL AND RELIGIOUS FACILITIES IN SHANGHAI

THE fact that the Japanese community of Shanghai has at various times during the past several months brought up the question of public education in Shanghai, particularly as it applies to its own nationals, it is *apropos* to make it clear to the world at large just what educational facilities there are here on the banks of the Whangpoo—incidentally mentioning the matter of religion. First of all there are the so-called public schools,—separate establishments for Chinese and Caucasians,—partly paid for from Municipal taxes, but for the most part by the fees collected from the pupils. The Roman Catholics here, as in many other places, maintain a number of excellent educational institutions, and it may be news to many that its curriculum covering such practical subjects as mathematics and physics is of the very best. These Roman Catholic schools do not have Latin as part of their course, despite the fact that Latin is the language of the Church. By way of contrast, the American School here, which is largely patronized by Protestant missionaries, makes a great feature of Latin—several years being devoted to it. The Jewish community also maintains a private school, but so far as numbers go it is not conspicuous. A distinctive feature of the Jewish community here is the large proportion of what are known as Arabian Jews. Of national schools, there are private schools maintained by the American community, the Japanese community, the German community, the British (Holy Trinity Cathedral) community, the Russian community, and the French Municipality, in addition to various Chinese private institutions. Shanghai offers a splendid opportunity for experimentation as to what effect training and education have upon the young mind. Let us take the example of a child who was born say five years ago. His skin may be white, yellow, brown or black color, his hair may be straight, curly, black or fair—there are many examples of all of these here—yet the person having charge of his education may, right here in this temple of Mammon, make of this child, either a patriotic American, German, Japanese, Chinese, British or Frenchman, or make him a devout Roman Catholic, Methodist, Buddhist or Mohammedan,—yes even a devout Greek (Russian) Catholic, daily praying for the return of the Czarist regime,—by the mere process of selection of the religious and nationalistic education he is to receive—unless the child is a born skeptic, as many are inclined to be in these days. As examples of the fact that the foregoing statement as to the influence of training is not an exaggeration, the two following instances may be cited. Among the most patriotic of Japanese you may find a fair sprinkling of very fair faces, descend-

ants of Englishmen who went to Japan in the early days. These children imbibed the religion and national feeling of their mothers, by whom they were reared. To take an older example. The most patriotic of Irishmen are of English descent on the male side. When Cromwell went into Ireland with his slogan, "To hell or to Connaught", he "planted" the country with English settlers to take the place of the Irishmen that his soldiers had slain. Their descendants, brought up by their Irish mothers, proved themselves to be the most implacable of English foes.

"REDUCED FARES" ON THE TRANS-SIBERIAN RAILWAY

A RECENT message from Hailar announced that there has been another reduction of fares on the Trans-Siberian Railway, this time from 35 to 40 per cent. It will be remembered that a similar announcement was made about six months ago. However, these announcements have a "catch" in them, somewhat illustrative of the old French phrase, which translates, "The more things change the more they remain the same.'" The facts of the trans-Siberian railway fares are as follows: In the old days before the World War, when roubles, in common with dollars, francs, yen and other money were what they be pretended to be, and not subject to daily jugglings, the fares were in roubles, the rouble being just a fraction over a half American dollar. With the advent of the Soviets, when the old rouble disappeared, the fares were put on an American dollar basis. These fares worked out at about two or three times the pre-war rates. For some time after the America went off the gold standard, the Railway continued to sell in terms of the American dollar. That was the case when reductions were announced about six months ago. But when the dollar in relation to the franc dropped still further, the Railway adopted the franc as the basis, so that, worked out in American, or for that matter Shanghai, dollars, the rates were increased by about as much as they were formerly reduced. Now another "reduction" is announced, but the net result of the reduction, so-called, is that the rates, figured out in either American or Chinese dollars, are merely back to what they were lowered to six months ago—still more than double what they were before the world war.

SOVIETS PASS DEATH SENTENCE ON VLADIVOSTOCK REFUGEES

THE adventurous career of the group of Russians who seized a motor launch at Vladivostock several months ago, and later arrived at Shanghai, after having suffered a mishap at Quelpart Island, has had a sad ending. It will be remembered that the Soviet authorities returned the refugees to Vladivostock. A *Tass* message from said port November 10 announced that the Military Collegium of the Supreme Court had tried the case of a group of persons who in August 1934 seized a motor launch by armed force. The court held that on August 11, members of the gang, Bessolov and Borushko (acting captain of the launch) were appointed with the launch to tow schooner *Eugenia* to Zarubino fisheries. Instead the gang boarded the schooner at sea, and sunk it, killing four and wounding two members of its crew. The gang then set out with the launch for Shanghai where they were arrested by the Chinese authorities and, at the request of the Soviet authorities, handed over to the Soviet Consulate. The Vladivostock court sentenced the organizers and active members of the gang, Borushko, Bessolov, Bokov, Sinev, Butsevich, and Bernadsky, to death. Titorenko was sentenced to 10 years, and Alexandrov to 5 years' imprisonment.

THE PAST, PRESENT, AND FUTURE OF SHANGHAI

The following is part of a speech recently made before the Shanghai Rotary Club by Dr. F. L. Hawks Pott.

THE original idea of the Foreign Settlement of Shanghai (usually known as the International Settlement) was that it would be entirely a place for the residences of the foreign merchants, and under the Land Regulations of 1845 there is this clause: "Merchants may not build houses for renting to ,or for the use of, Chinese": that shows very plainly what the attitude of the Chinese authorities was, as well as that of the foreign people. How did the change come about, so that Shanghai became a city with a very large Chinese population? That necessitates my referring to history. You all know of the "Short Swords" rebellion in 1854 followed by the Taiping rebellion in 1860. Throughout those rebellions a great number of Chinese from the outlying districts flocked into Shanghai for safety: they were refugees, and the great problem among the foreign residents and among the authorities was as to what was to happen: were those people to be forced to go back again into the country, or could they stay in Shanghai? At last, it was legalized to a certain extent, and with the permission of the Taotai and the consuls certain people might stay providing they were of good character, and those who were merchants, while the riff-riff would have to go back into the country. That was never very strictly carried out, and from that time up to now there has been a great influx into Shanghai: it had its ups and downs, but on the whole the Chinese population has continued to grow steadily in the Settlement.

At first the idea was that they were living in the Settlement by special prmission, and therefore they should be assessed and taxed, but they were to have no right whatever to any representation in Municipal affairs, and I think one might say that at first there was no great ill feeling on that account—that these Chinese residents didn't expect that they would have a part in the government of the Settlement, but as the population increased, that idea of paying assessments but having no voice whatever in regard to the governing of the Settlement soon became an unwelcome one, and agitation for representation began. As long ago as 1863. Sir Robert Hart, who was at that time British Minister, proposed that there should be Chinese representatives on the Municipal Council. These are his words: "There should be a Chinese element in the municipal system of government, to whom reference shall be made to any matters affecting the Chinese race." Unfortunately, that advice was not taken, and so the two peoples dwelt side by side, having very little social intercourse for a long time, and one section of the community being taxed and assessed, but having no representation whatever. Later in 1926, a new policy was adopted. The Chinese were

taken into partnership, and the spirit of co-operation was begun, and I think you will agree that the new policy has been very successful, and that we all regret it wasn't instituted earlier.

I close with the word "cooperation." I am convinced that if the policy of co-operation is patiently and persistently followed, it will ensure the growth of this Settlement to further magnitude, and I believe that if, 50 years hence, and the Rotary Club is still in existence, someone is invited to speak on "The growth of Shanghai during the past 50 years," as I have endeavored to do, they will be able to put before his audience a picture of greater growth and development than I have been able to put before you to-day.

DO YOU WISH TO LEARN CHINESE?

IT is a common saying, with only a shred of substance, that people who become Chinese scholars are usually "queer." In a sense most persons who step aside from the beaten path are considered more or less crazy by those who keep in the accustomed groove. Inventors as a class, for example, are usually suspected of not being quite normal. However, the fact remains that a fair proportion of Westerners in China—particularly in the Customs, police and missionary services—have acquired proficiency not only in the spoken, but also in the written, language of this country, and have been able to preserve their sanity; and, incidentally, attained a position, either of profit or of honor, which they could not have reached without the proficiency they have attained in the language of the country in which they have chosen to carry on their life work. Now more than ever a knowledge of Chinese is necessary for Westerners who expect to gain either dollars or distinction in this part of the world. No language can be learned from books alone, but books help a great deal, even in studying Chinese, which, however, offers certain difficulties of pronunciation which make oral instruction an absolutely necessity, and without which the foreign speaker of Chinese will be utterly unintellgibile to the Chinese citizen, be he of low or high estate—this particularly because of the incidence of "intonation," a peculiarity which very few other languages have. The object of these few lines is to stimulate an interest in Chinese study. It so happens that the author of an excellent system of studying the language has sent us a number of sample copies of the various lessons which in the aggregate form his course. Ten of these lessons form a unit, the unit being sold for six dollars, namely, a rate of sixty cents per lesson. Should any of *The Review's* readers feel that they would like to give the language a sort of "once over," we shall be glad to send them one of these lessons, picked out at random, from the 30 lessons so far published, if they will send us ten cents to cover cost of handling and mailing. *The Review's* address is 160 Ave. Edward VII, Shanghai.

American Marines at Peiping Study Chinese

Encouraged by their Commanding Officer, Colonel P. M. Rixey, the United States Marines, who form the American Legation Guard in Peking, have taken up the study of Chinese. According to the *Legation Guard News*, the first classes under official supervision started on October 15. First Lieutenant E. F. Carlson (formerly on duty in Shanghai) is the Supervising Officer, and he is assisted by Sergeant H. S. Coppedge. Ninety men signed up for the elementary course. It became necessary to divide this class into two, one of which meets from eleven to twelve in the morning, and the other from to two o'clock in the afternoon on Mondays, Tuesdays, Thursdays and Fridays—such is the interest which the Marine Guard shows in the language of the country of their temporary sojourn.

GAMBLING FACILITIES IN SHANGHAI

The following are extracts from a letter which appeared recently in the columns of the "North China Daily News" :—

Shanghai has grown a lot in the last fifteen years, but the facilities for public gambling have grown at a much faster rate. These facilities are still growing. They cater not to human needs, but to human weaknesses. Not everybody loses, of course, and the "ramps" which are often mentioned casually in the columns of the press, while possibly not of much consolation to the public at large, at least add an interest to matters over and above that to do with "form." It is beyond dispute that anyone who gambles regularly at the dogs, the ponies, or hai alai, stands a much less chance of coming out an eventual winner than if he played roulette regularly. In fact it is mathematically certain that he will come out a loser. In roulette, there is only a three per cent commission against the player; at the other forms of gambling, there is from eleven per cent to fifteen per cent. Further, the roulette wheel is not housed in a stable or a kennel, nor can it think and talk. Roulette, which is much less against the punter than the ponies, or the dogs, or hai alai, is very illegal. The other things are very legal. Somehow, it is unreasonable, illogical. I am not defending roulette, nor advocating its general adoption as a means of recreation in place of the other forms of manly sport; in fact, I honestly believe that facilities for a reasonable amount of "fluttering" are desirable in any community. In Shanghai, those facilities have degenerated into a menace. The fool who gets into a mess through gambling is rightly condemned, particularly by our moral leaders, as something almost beyond the pale; but has one ever heard of any public utterance in Shanghai condemning gambling facilities rather than gamblers? I have never heard of such an utterance. It is the effect, and not the cause, which comes in for stricture.

I The Shanghai Race Club held its spring meeting (three days) during last week. This and the corresponding autumn meeting, were the principal racing (and incidental betting) events of the year until during recent years various rival enterprises have appeared, and the Race Club itself commenced running races weekly. In the French Concession, the "hai alai" and Canidrome are so heavily taxed by the French authorities that they contribute very considerably towards the running expenses of the Concession. In Chile last month a law was passed ordering the racing clubs to increase their contributions to the newspaper workers' fund from $100,000 to $160,000 annually.—*Ed. C W R.* I

SUBMARINES BECOME "OFFENSIVE" AT CLOSE RANGE

(From the Japan Chronicle, Nov. 7.)

THERE have been reports about the presence of forty Russian submarines at Vladivostok. It seems very doubtful whether the Soviet could muster so many. However, there is some interest in the comment. The Japanese Press always professeses to know what all the highest authorities think, and one of the news agencies declares that the submarines are regarded as a menace to the Japanese vessels in the Japan Sea. But this must be a mistake, because we have many times been told that, from the Japanese point of view the submarine is a purely defensive weapon, and this was the reason why Japan could not agree to the suggestion that such craft be abolished altogether. Perhaps at close quarters submarines assume an offensive aspect.

American and Other Oil Men See Manchurian Door Open Only Outward

THE new move towards a complete Japanese monopoly of oil sales in Manchuria means that the Open Door there will be firmly closed to Western oil men,—or, more precisely, will be open to them only for one-way traffic—outward. Unless the American, British, and other interested governments act far more firmly than they have ever done to date, they will find their long-established businesses ousted completely by a Japanese monopoly,—which in time will undoubtedly extend to the Japanese market also.

With regard to Japan itself the foreign Powers have little legal ground for interference. The Japanese Government controls business to whatever extent it finds needful, and is now making certain conditions for foreign oil importers, evidently with the intention of establishing a Government monopoly later. Legally and technically, Japan perhaps cannot be denied the right to do this, however much it may conflict with the ethics of international trade and property rights. In Manchuria, however, which is legally a part of China, recognized as such by Japan herself in the Washington Convention, the principle of the Open Door, pledged by Japan and other Powers, is being cynically and directly violated. In Article 3 of the Nine-Power Treaty signed at Washington the Powers, including Japan, "with a view to applying more effectually the principles of the Open Door or equality of opportunity in China for the trade and industry of all nations," agreed "that they will not seek, nor support their respective nationals in seeking:

> "(a) Any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China;
>
> "(b) Any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in China, or of participating with the Chinese Government, or with any local authority, in any category of public enterprise which by reason of its scope, duration, or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity."

Oil Monopoly Reported in February

In April 1932, after Japan's occupation of the Manchurian provinces of China and setting up of a local regime under her control centered at Changchun, Tokyo reiterated to the other foreign Powers her adherence to the principle of the Open Door, as specified above, in Manchuria as elsewhere in China. In February this year, however, the Manchuria Petroleum Company was formed, which according to reports at the time would be given a monopoly of oil sales in Manchuria—reports which have now been confirmed. This company is Japanese, forty per cent of its Yen 5,000,000 capital having been subscribed by the South Manchuria Railway, forty per cent by Mitsui, Mitsubishi, and other Japanese financial organs, and twenty per cent by the Japanese agency at Changchun known as the "Manchukuo Government." The monopoly now being given to this company is in direct violation of the Nine-Power Treaty. Even the absurd Japanese claim that the present Manchurian regime is "independent" does not alter the situation, as even if this were true it would merely mean that Japan was participating with a "local authority" in a monopoly,—which is also specifically renounced in the Nine-Power Treaty.

Oil is one of the greatest gifts of the West to the Chinese people. China was in the main quite self-sufficient before the beginning of Western contacts in recent centuries, but there was no cheap fuel over most of the country, and the great mass of poor Chinese homes were in darkness from sun-down to sun-up. Kerosene, however, was a cheap and easily transported fuel, which soon made its way into millions of Chinese homes. There is no foreign product which has become so universally distributed, in every village and town throughout China, as kerosene for the lamps of the country. The Standard Oil Company has done pioneer work in this, at a profit to themselves of course, but also to the real benefit of hundreds of millions of the common Chinese people.

Oil from Shale at Fushun

Particularly was this of importance in the north, with its long winter nights. In Manchuria as elsewhere in China, Standard Oil led the way, followed by other foreign oil companies. This was a real boon to the people of the country, especially as China's own oil resources are so inadequate, and limited in the main to Sinkiang and the far northwest, far removed from the great centers of population and lacking adequate transport facilities. In Manchuria, indeed, there was oil shale, from which oil could be extracted by modern processes, the great center being Fushun. Before the Chinese could themselves get any modern exploitation under way here, however, the Japanese had their grip on this area, where the enormously rich coal seams were covered with some five billion tons of oil shale—shale which had to be removed anyway in order to get open-cut mining,—the oil percentage of which amounted to ten or twelve per cent in the upper layers.

The process of obtaining oil from shale—dry distillation by internal heating—is not very economical, as compared with crude oil from wells. The most important development of the industry has been in Scotland, where, however, the plants distill shale only when the market price of oil is high,—though they are so constructed that they can turn to the refining of (imported) crude oil when prices are low. The Fushun oil plant, with Japanese (S.M.R.) ownership and management, even though aided by the cheapness of Chinese labor, is not as efficient as the Scottish plants. It can, indeed, produce oil at a cost low enough for the Chinese market, but the object of the enterprise is not, of course, to sell oil at cost, but is to make profits for Japanese owners and emoluments for Japanese directors—out of Chinese oil shale, worked by Chinese labor, for disposal to Chinese consumers. It is not a profitable enterprise at the present low market price of oil, which has been affected successively by the general over-production of petroleum, by the increasingly desperate world economic crisis, and by the growing competition of cheap Soviet oil.

Reserve Supply for Military Purposes

Japanese oil production, however, is intended to serve two purposes,—to make profits, and to secure a home supply for military uses as the Japanese warlords carry on and extend their aggressions in eastern Asia. Japan's production of oil is quite inadequate for her own needs. Work has gone ahead at Fushun, however, and in 1930 the plant there produced some 28,000 tons of heavy oil, and as a by-product (among others) 10,000 tons of crude paraffin—of which Japan previously obtained almost ninety per cent of her needs from abroad, but is now able to satisfy half her requirements from Fushun alone. The oil capacity of the Fushun plant is some 70,000 tons yearly.

Supplementing this, an oil refinery has been established by the Japanese at Kanchingtze, near Dairen, utilizing the Manchurian crude. This enterprise is owned by the new Manchuria Petroleum Company, and is claimed to

have a production capacity of 120,000 tons per annum,—which may be an exaggeration. In any case, however, the Fushun plant and the Kanchingtze refinery are in a position to supply the Manchurian market for oil, built up by Standard Oil and other companies over so many decades, in greater or less degree. They can do so profitably, however, only by a monopoly which will give the Japanese control of all oil sales in the country. Such oil as continues to be imported will be handled by the new monopoly, and sold at a handsome profit,—the Chinese consumers paying the bill, which prior to the Japanese invasion amounted to some ten or twelve million dollars yearly. Foreign oil men, according to the official statement by "Manchukuo," the Japanese agency at Changchun, on October 30, can either become "distributors or wholesalers under the new monopoly law," or get out. "Should they request it, the Government will purchase their establishments." If the foreign Powers permit the monopoly to become effective, of course, these establishments will become valueless to Standard Oil and the other foreign companies which have invested tens of millions in setting up plants and offices and developing the oil business in Manchuria, and can sooner or later be purchased for far less than their cost price.

Stock in Japan to Be at Government's Disposal

As for the new Japanese legislation on oil companies in Japan, this is evidently a prelude to a Government oil monopoly in Japan itself,—which supplies less than half her own requirements by her home production of oil. It requires oil companies in Japan to maintain at all times a half-year's supply of oil, and to have their entire stock at the disposal of the Government, to be taken over by the latter at its own price in any "emergency." This means that the companies must increase their oil stocks to two or three times their present volume, with construction of additional storage tanks, etc.,—involving a greatly increased expenditure, with the possibility of having their whole stock taken over at a price even below the present low market value. When the Tokyo Government decides that an "emergency" calls for an official oil monopoly in Japan, all imported oils can be taken up, at a nominal price, and the importers left high and dry. This can be looked forward to as soon as the Manchurian oil begins to satisfy some of the Japanese domestic requirements. By making these new conditions in advance, however, the Japanese expect to escape diplomatic difficulties later. If, on the other hand, any companies decline to comply with the new requirements, and abandon the Japanese field, this will simplify matters for the Japanese Government.

Why Not a United Western Front?

The only manner in which this new Japanese offensive against American and other oil interests in the Far East can be checked is by a united front of the Powers interested, and of their oil concerns. With regard to Manchuria, the new monopoly is in absolute and unmistakable violation of the Open Door, guaranteed by the Nine-Power Treaty, and of Japan's repeated pledges to maintain it. A firm stand by the Powers involved—America, Britain, Soviet Russia, and Holland,—and a united refusal to permit any interference with their trading activities in China's northeastern provinces, will compel the Japanese to back down. Tokyo, of course, does not expect this, having been encouraged by the complaisance which the Powers have shown while Japanese forces were occupying all Manchuria, and even making war upon China from the International Settlement at Shanghai. But perhaps the Powers which were so complaisant to Japanese aggression while China was the victim, will show a little determination and courage when the Japanese are opening an economic offensive against them. If they back down on this, they might as well get out of China altogether, as what Japan has done in the northeast she can do in other parts of China as well, so far as she can use one warlord against another, and the Western Powers remain divided or indifferent.

In Japan itself, the Government is able to set forth its present difficult conditions for oil companies only because of the cut-throat competition between oil producers of various countries at present. If American, British, Soviet, and Dutch oil producers were to inform the Japanese Government that the new terms were unacceptable, and that any attempt to enforce such terms would mean the immediate cessation of oil exports to Japan, Tokyo would change its tune with remarkable swiftness. Failing such a united stand, however, the Japanese Government will be able to carry through its program, shut out all foreign oil companies from direct contact with the Japanese market, and monopolize all profits there just as the Japanese are already arranging to do in the Manchurian market. The economic base of the new move is the expansion of oil production from Chinese shale, by Chinese labor, in China's invaded provinces. This property, forcibly taken from the Chinese, the Japanese are using as a lever to forcibly drive out American and other Western interests.

Japanese Hope to "Divide and Conquer"

It is interesting to note that three of the four Western Powers involved are members of the League of Nations, and the fourth (America) is acting in co-operation with the Geneva body in Far Eastern matters. The Japanese, however, are probably counting upon the aid of the Imperialist element in Britain, so powerful in the present Tory regime, which favors "Manchukuo" recognition and a renewal of the Anglo-Japanese alliance. Also, the Japanese are carrying on prolonged negotiations with the Dutch, have obtained oil concessions from them, are buying big quantities of Soviet oil, and are counting shrewdly upon strained relations between Holland and Soviet Russia to prevent any united front of these two big producers. With the West as with China, the Japanese motto is "Divide and Conquer!" But if the Western Powers cannot unite against the present move by Japan against their common interests, it will be a most disgraceful thing, further encouraging the Japanese in their utter contempt for the governments of the Western World.

THE WORLD AS A HUGE PENITENTIARY

THE World carnage put an end to the golden era when a Bakunin and a Herzen, a Marx and a Kropotkin, a Malatesta and a Lenin, Vera Sazulich, Louise Michel and all the others could come and go without hindrance. In those days who cared about passports or visas? Who worried about one particular spot on earth? The whole world was one's country. One place was as good as another where one could continue one's work for the liberation of one's autocratic native land. Not in their wildest dreams did it occur to these revolutionaries that the time might come when the world would be turned into a huge penitentiary or that political conditions might become more despotic and inhuman than during the worst period of the Czars. The war for democracy and the advent of left and right dictatorships destroyed whatever freedom of movement political refugees had formerly enjoyed. Tens of thousands of men, women and children have been turned into modern Ahasueruses, forced to roam the earth, admitted nowhere. If they are fortunate enough to find asylum it is nearly always for a short period only; they are always exposed to annoyance and chicanery, and their lives made a vertiable hell.—*Emma Goldman in "The Nation."*

Siberia Is Being Developed With the Aid of Machinery and So-Called "Criminals"

(From The Review's Special Correspondent.)

CHITA, Capital, Siberian province, Soviet Far East.—This city where the Chinese Eastern Railway branches off from the Trans-Siberian main line and forms a short cut to the sea at Vladivostok, probably provides the best point from which to view and appraise the practical development of Soviet policy in the Far East. The city only has some 65,000 people and is of little commercial importance, but it has had a stormy history in recent years. It was the scene of numerous battles between the Reds and Whites in the revolution, for a time was the headquarters of Cossack Ataman Seminoff and later became the capital of the Far Eastern Republic, which was merged into the Soviet Union following the Washington Conference in 1922.

According to tradition, the famous Mongolian conqueror Genghis Khan was born a short distance to the northwest of Chita in the district of the Ingoda and Onon rivers. Tradition also says that it was the gold from this district that provided the foundation of his power and enabled him to conquer Asia and a considerable portion of Europe in the 12th and 13th centuries. Today rich veins of gold are also providing the sinews of war for the Soviet Union, the ore-bearing strata being found in the heavily wooded valleys and mountains in the vicinity of Shilka station, a short distance to the east of here. When Ataman Semienoff's government collapsed at the time the American troops were in Siberia, Semenoff took out with him more than U.S. $3,000,000 in gold bars which he had seized in this district.

Today one observes on the railway sidings here long lines of freight cars containing motor trucks, tractors, machinery of various types, military equipment, airplanes, soldiers and other human cargo. The human cargo seems to consist of two types, emigrants with their families and household paraphernalia, while the other type, consisting of males only, are locked up in freight cars containing small barred windows. Guards carrying rifles with fixed bayonets march back and forth between the trucks maintaining close watch while the trains are in the stations. These settlers, who are going to Siberia in locked freight cars, are generally designated as "criminals," but they are said to be criminals only in the Soviet sense, as a considerable portion of them allegedly have merely sinned against the socialist system. The government also conducts round-ups in the large cities, particularly Moscow—and all who do not possess work-cards or a legitimate excuse for being in the city without work, are loaded on freight cars and sent to join the "kulaks" in Siberia. It is this class of labor, which receives food and shelter only, which is doing most of the work in double-tracking the Trans-Siberian and constructing the other railways in the Soviet Far East. If they do their work well, they may be shifted to a collective farm or state where more congenial labor is provided, and in time they may be permitted to have a small piece of land for themselves and ultimately may have their citizenship rights restored. The average period for rehabilitation is said to be five years; in the meantime they constitute an "oppressed" class in this allegedly classless society. They are controlled entirely by the G. P. U. and are shifted from one job to another as they are needed. Recently they completed the canal connecting the White Sea with the Gulf of Finland at Leningrad, and now they are being transferred to the new Siberian railway projects by the thousands—some says as many as 800,000—but the exact number cannot be verified.

Typical Siberian Scene—Getting in the Winter Supply of Wood

A Huge Red Migration from Europe to Asia

Although it has received little or no attention in the press the Red Russians are staging a human migration from Europe to Asia that must inevitably change the course of history in a portion of territory which constitutes the world's last frontier. Russian expansion toward Eastern Asia began in 1580 when the adventurer Yermak and his band was chased by government troops across the Urals into Siberia. Since that initial venture other adventurers either wearing the uniform of the imperial army or mere freebooters forced their way ever further into the Siberian forests until they finally reached the upper Amur. Here they met the military outposts of the Chinese empire and after many years of fighting signed a treaty at Nertchinsk (about 200 miles east of here) on Sept. 9, 1689, this being China's first treaty with a European state. There followed a long period of peace while the Russians were consolidating their positions, but the Russians were not satisfied and pressed on toward the Pacific by two routes, across Manchuria and directly eastward along the Amur and its tributary the Ussuri. Vladivostok was established in 1860 after the Russians had settled their boundary along the Ussuri. Their drive through Manchuria to the warm port of Dairen got them into difficulties with the Japanese, culminating in the war of 1905 and Russia's defeat. Then followed the world war, and the Bolshevist revolution. Now, after 17 years of simmering the Russian caldron is again boiling over and is spilling into Asia.

It is a singular fact that practically every outstanding leader in the present Soviet government from the late Lenin down served prison terms in Siberia for political crimes under the Czarist regime.

As a matter of fact a considerable portion of the development that took place in Siberia under the Czars was the work of political prisoners—and a pitiful job it was. Only one single-track railway was built and while numerous towns were built most of them today resemble mid-western or western frontier towns of the United States as they existed three-quarters of a century ago. In an area extending roughly from the 50th parallel to the Arctic circle and comprising a territory probably double the size of the United States there is or was not until recently, anything that remotely resembled a modern road. It is almost correct to say that for a distance of well over 4,500 miles from the Ural mountains to the Pacific the dense forests of birch, pine and spruce have not been pushed back from the railway for a distance averaging more than a mile on each side of the Trans-Siberian. Many of the river valleys, of course, have been developed agriculturally and in innumerable sections forestry fires have cleared large sections, but generally the region is just as primitive as the early American settlers found the Mississippi river and its tributaries, particularly the Missouri, a century ago. Outside of building the railway, developing a few gold mines and the fur trade, the old imperial government did practically nothing for Siberia. True, it conquered it, reduced the native tribes to subjection and even advanced across Bering Sea and annexed Alaska, but little or nothing was done to develop or civilize the country. Thousands of political prisoners were dumped into the wilderness to form little settlements; or soldiers were sent to the frontier to ultimately become farmers, trappers or bandits. But the Czars cared little for Siberia except as a source of revenue.

Soviets Follow Arbitrary Czarist Procedure

Into this vast area the present Soviet government is advancing with new slogans and technique, but in innumerable respects just as arbitrarily as did the Czars—but obviously, much more intelligently, for today the Siberian-bound trains are not only carrying tens of thousands of human beings. civilians and soldiers and forced laborers, but also machinery, agricultural and industrial, trucks and tractors, saw-mills and whatnot. They call it the second five-year plan and the outlay runs into the billions of roubles, printed pieces of paper from the state presses at Moscow which are worth in international exchange anywhere from 40 to 80 to the American dollar, but which they claim ultimately will be stabilized at around 30 to the U.S. dollar secured on gold in the state treasury produced from Siberian mines. According to Moscow's spokesmen, Asiatic Russia will receive from the capital expenditures of the second five-year plan, 49 percent of the outlay for coal mining, 40 percent of the iron and steel investment, 37 percent of the heavy industry, 71 percent of the non-ferrous metal industry, 27 percent of the machine-building industry, 34 percent of the chemical industry. One cannot fail to perceive that most of these expenditures are in industries which are potentially of a military nature. As a matter of fact Russia is the most starved country in the world for ordinary consumption goods, the hundred and one articles which provide the ordinary comforts of civilization, but all these things must wait for the completion of the heavy industries which are rapidly making this country the strongest, potentially, in both Europe and Asia from a military standpoint. That the U.S.S.R. is today immensely stronger from a military standpoint than was the case under the latter years of the Czar is the consensus of opinion of foreign military observers who are familiar with the situation from personal investigation. It was the large measure of success achieved in the development of heavy industries, a success achieved at terrible human cost, that recently secured the U.S.S.R. a permanent seat in the high councils of the League of Nations. It was this success achieved in European Russia in the first five-year plan that has been responsible for the decision to duplicate the effort in Asiatic Russia.

Also, while this drive Asiaward along the Trans-Siberian is taking place, another and even more dramatic drive is taking place into the ice-bound fastnesses of the Arctic ocean. All remember the dramatic end of the so-called Cheluskin expedition and rescue of the survivors in the vicinity of Bering strait, but it is not so generally known that the Russians this year succeeded in sending the ice-breaker Litke from the Far East entirely around through the Arctic to Leningrad and as these lines are written six others, the Rusanov, Molotov, Sadko, Sedov, Yermak and Malygin are battling in the ice, carrying supplies to frontier outposts established at the mouths of Siberian rivers flowing into the Arctic. Incidentally, all of this area is a forbidden zone for those who would obtain passport visaes for travel in the U.S.S.R., the alleged reason being that many of the camps contain political prisoners. Another reason probably is that the Russians believe they have discovered another route to the Far East which will supplement their 5,000-mile-long Trans-Siberian.

While this present Red Russian migration and industrial drive into Asia was considerably accelerated by the Japanese occupation of Manchuria and threat toward the Siberian provinces in 1931, it constitutes more than a mere offset to Japan's attempt to extend her empire to the continent. It is a continuation of the ancient Russian move into Asia and its ultimate political consequences cannot be foretold today. That it will bring complications with Japan appear inevitable because one of Japan's primary objectives in occupying Manchuria was to stifle Russian influence and if possible block the socialist, or state-capitalistic development of the Russian Far East. While Japan is now in undisputed possession of the Manchurian provinces and has established a buffer state there and is trying to extend her influence further into Mongolia, she has failed to block the red bear in Siberia, and according to report, Russian influence is now predominant in Chinese Sinkiang or Turkestan to the west of Mongolia. The Russians now insist that they want no Chinese territory, as they have land a plenty in Siberia for all their needs. But on the other hand they are equally determined to hold what they have, and also are determined to develop it industrially in the shortest possible time.

J. B. P.

Japanese Minister Sees Early Resumption of Postal Communication

Although a number of problems are still awaiting settlement in connection with the demilitarized zone in North China, none of these is of a grave nature, in the view of A. Ariyoshi, Japanese Minister to China, who gave an interview last week to foreign newspapermen in Peiping during a brief visit to the old capital. He expects the resumption of postal facilities with Manchuria before the end of the year, but sees no immediate prospects of the abrogation of the Tangku armistice, since its place would need to be taken by a treaty covering the same ground. The Japanese Minister is hopeful of an early rapprochement between Nanking and Canton, of which he says there are increasing signs, while in regard to the status of the Japanese Legation, there is no intention at present to raise it to the rank of an Embassy.

England Debates a Proposed Sedition Bill

One of the bits of legislation pending before the current session of the British Parliament is a Sedition Bill, debates on which take place from time to time. Hints are thrown out that attempts have been made at various times to undermine the loyalty of the soldiers in the British Army. In general the tenor of the legislation is to make England less of a liberal country than it has been in former years. In the debate on the Sedition Bill in the House of Lords on Nov. 9. Lord Allen, who is a Socialist, made the startling assertion that a plot to seize the British Broadcasting corporation and accomplish a coup d'etat had come to his personal knowledge some months ago. He refused to say whether the organizations pledged to follow unconstitutional methods to seize power.

Eight Chinese Match Factories Form Trust to Fight Foreign Competition

Amalgamation of eight leading match factories in the provinces of Kiangsu, Chekiang, Anhwei and Hupeh was decided upon at a meeting of representatives of the factories concerned held at the Chung Wai Bank building in Shanghai Nov. 13. The amalgamation scheme is intended as a sort of monopoly of the match industry in China to combat the competition of foreign dumpers. The match plants affected in the amalgamation plan are Chung Dah in Ningpo, Tung Sui in Nantungchow, Hwai Shang in Linhwai, Chu Sheng in Hankow and the four local factories: Chung Kuo, Great China, Hwa Ming and Dah Ming.

Tenancy Disputes Growing in Number in Japanese Famine Districts

Special instructions have been issued to tenancy officials in the famine stricken districts of Japan to devote especial attention to reconciliations between landowners and tenants as disputes increase due to the inability of the farmers to pay rent and meet other obligations. The *Asahi* quotes figures showing that disputes reported in the nine months ending September 31 totaled 4,000, or 500 more than in the corresponding period last year. In Aomori Prefecture, committees to deliberate tenancy disputes have been organized in every town and village under the tenancy authorities of the Agriculture Minister.

Japanese Resent Interference Regarding Mandated Islands

Since the mandated islands in the South Pacific are within Japan's administrative jurisdiction, no interference can be tolerated regarding the construction of administrative equipment there, a spokesman of the Navy Ministry stated in Tokyo Nov. 13.

The spokesman was commenting upon reports from Geneva that the Mandated Islands Commission of the League has decided to question Japan regarding recent establishment of airdromes on the islands and harbor reconstruction work there. The airdrome, according to the spokesman, is merely a landing field and has no military equipment. The Government is improving the harbors of the islands to aid their trade, he said. Not only Japan and the mandated islands but other nations whose airships and steamers frequent routes in the island region will benefit by the projects undertaken there, he said.

General Chiang Kai-shek Returns to Nanchang; Details of Capture of Juikin by Fukien Forces

High Lights in Events of the Week:

1. **General Chiang Completes Tour of Inspection of Northwestern Provinces.**
2. **Juikin Recovered After Six Years' Occupation by the "Reds".**
3. **Gen. Liu Hsiang Goes to Kiangsi to see the Generalissimo.**
4. **Japanese Military Divides Manchuria into Ten Provinces.**
5. **11,000 Men Fell in 1933 War Against the Japanese.**
6. **Hopei Provincial Government Reorganized.**
7. **Canton to Make Foreign Firms Pay Business Tax.**
8. **Dr. Sun Yat-sen's Birthday Anniversary Widely Observed.**
9. **Large Sums Raised for Railway Development in China.**
10. **119 Students Leave for Study Abroad on Nanking Scholarships.**

Completing a month's tour of inspection of ten North and Northwestern provinces, covering a distance of 5,000 miles by land, air and on water, General Chiang Kai-shek, Chairman of the Military Affairs Commission, returned to Nanchang in the morning of Nov. 12. He arrived at Hankow from Taiyuan, Capital of Shansi, during the afternoon of the previous day by the new Junkers plane of the Eurasia Aviation Corporation, and left there in the evening for Kiukiang by gunboat, where he arrived at 9 a.m. From there he immediately flew to Nanchang by the same Junkers plane.

Immediately following arrival at Nanchang General Chiang issued telegrams commending the officers and men of the various routes of Government armies who during his absence captured a number of important communist strongholds, including Juikin, for six years seat of the Chinese Soviet Republic. General Chiang, in his telegrams to the commanders, also instructed them to carry on with the campaign to put a finis' to the Red menace in Central China.

According to circles close to General Chiang, the Generalissimo was much impressed by his tour and particularly the warm reception accorded him by the Mongolian Princes. Prince Teh, one of the leading political chieftains in Mongolia, remarked during a reception that General Chiang was the first responsible Chinese official to have visited Mongolia in more than 200 years.

General Chiang left Kweihua for Taiyuan Nov. 8 by the Junkers plane. He was accompanied by Madame Chiang, Generals Fu Tso-i and Wang Ching-kuo, respectively Chairman of the Suiyuan Provincial Government and Commander of the 70th Division. The party arrived in the afternoon of the same day and was welcomed by General Yen Hsi-shan and other high Shansi officials. Prior to his departure, General Chiang promised to appropriate $50,000 for the opening of a school for animal husbandry. The Central Government will be requested to remit $20,000 as running expenses for the School. He also awarded $1,000 to the gendarmerie and $500 to the police units.

General Chiang delivered a slashing attack against the opium and other drug evils at Taiyuan Nov. 10 in an address before a gathering of more than 1,000 officials and other residents who met under the chairmanship of General Yen Hsi-shan, Pacification Commissioner of Shansi. The Generalissimo condemned opium as the greatest curse of China and as a very great obstruction to the New Life Movement. Although opium, foot-binding and other evils were not specifically mentioned in the outline of the New Life Movement, their extirpation, he said, was one of its aims. Shansi was not a grower of opium, continued General Chiang, but it was a great consumer an in Shansi, as in other Northwestern provinces, it was incumbent upon officials to take remedial measures immediately so that, by the end of of three years, the whole traffic would be killed. So far as sellers and consumers of morphine and heroin were concerned, they were to be arrested, court-martialled and shot. China can not be a great nation until she was a clean nation, he said. After the meeting. which lasted nearly three hours, General and Madame Chiang drove by motor-car to Taiku, the ancestral home of the Minister of Finance and visited Oberlin-in-China. They spent over two hours inspecting Oberlin-in-China under the guidance of Dr. Kung, the founder of the institution. They stayed there for the night and returned to Taiyuan the following day.

General Chiang also visited the aged father of General Yen Hsi-shan at Hopientsun, Wutai, home town of General Yen.

Prior to his departure for Kiangsi, General Chiang awarded the Shansi troops $20,000 and the military and police units maintaining peace and order during his visit $3,000. He was, in turn, presented with valuable gifts by General Yen and the latter's aged father.

Madame Chiang Kai-shek, Dr. H. H. Kung, Minister of Finance, and W. H. Donald arrived at Peiping afternoon Nov. 11 in a Ford plane from Taiyuan. The plane flew over the Western tombs and circled the city before landing. Interviewed on arrival Madame Chiang's party expressed first astonishment and then amusement at the alleged bombing of the train in which Madame and General Chiang Kai-shek were travelling between Tatung and Kweihua on November 6. They described the report as being totally unfounded, and added that the entire trip was without incidents except pleasant ones.

Madame Chiang and Dr. Kung arrived at Tientsin from Peiping Neiping Nov. 13. Dr. Kung visited the Hai Ho improvement works at Chukaitien in the morning of Nov. 14. Chinese experts accompanied the Minister, who showed great interest in the palliative scheme and congratulated the technical bureau on its accomplishments. Dr. Kung informed pressmen that the Hai Oo problem was the chief occasion of his visit and predicted the early completion of the remaining construction works. In this connection, he explained that the delay in providing funds was due to the earnest desiree of the Government to ensure that the money would not be wasted, as well as the success of the scheme to maintain the navigability of the Hai Ho.

Dr. Kung and Madame Chiang Kai-shek later left by 'plane for Tsinan, the Shantung provincial capital, where they arrived in the afternoon. From there they proceeded to Tsingtao. They flew to Shanghai the following day.

Details of Capture of Juikin by Fukien Forces

Juikin, for six years the capital of the Chinese "Soviet Republic," was littered with the bodiees of dead Communists and presented a ghastly sight when Government troops entered the city in the morning of Nov. 10. This news is contained in a telegram to the Generalissimo's headquarters at Nanchang from General Li Mo-an of the Government Forces in Fukien, who, at the head of his division, captured the seat of the Red government. The fall of Juikin was reported about a fortnight ago, but it appears that the Government forces then had entered only the surrounding areas, and it was not until Nov. 10 that they actually captured the city.

General Li Mo-an states that the 11th and 17th Communist brigades assisted by guerillas fought every inch of their lost ground and destroyed a number of bridges in order to slow down the advance of the government troops. It is thought, however, that this was no more than rear-guard action to cover the retreat of the main Communist forces, as two days previously the Reds, according to

General Li, had forced many of the inhabitants of Juikin to leave with them in the direction of Yutu, those refusing being put to death. General Li says he found an air field in the northern section of the city, but there was no trace of airplanes. He expresses the opinion that the field was probably constructed after the now-defunct "People's Government" at Foochow had presented the Communists with two machines.

Mr Hsiang-yao, newly appointed District Magistrate of Juikin, reached Juikin Nov. 11 to organize the civil administration of the city.

The Kiangsi Provincial Government has instructed Lu Sien, Provincial Commissioner of Civil Affairs for Kiangsi, and Shao Hung-chi, Special Commissioner for the Supervision of Administration in the 12th Area to proceed immediately to Juikin to supervise the work of rehabilitation. Deputies of the Kiangsi Provincial Relief Committee and the Public Health Bureau have also been despatched to attend to relief and health work.

Chengkow, a small but strategic town along the Kwangtung-Kiangsi-Hunan border, has been recovered by the 1st Independent Kwangtung Brigade under Major-General Chen Han-kwang, a military dispatch from the front reports. The Reds invading Changkianghsu have also been repulsed. There are no traces of the marauders in the neighborhood of Yanfa, northern Kwangtung.

A *Reuter* report from Canton Nov. 13 reported that the Kwangtung Forces had inflicted an overwhelming defeat against the Communists in a battle in the vicinity of Yenshou, 40 miles north of Kiufeng, on the Hunan border. Several thousand Communists and 3,000 rifles are stated to have been captured by the government troops. The Communist 1st Army, representing the main force of the invading Reds, is reported to have been eliminated.

General Yu Han-mou, Field-Commander of the Kwangtung Anti-Red Forces, has removed his headquarters to Shiuchow, strategic city in northern Kwangtung, in order to personally supervise the round up of the Kiangsi "Reds" who are fleeing to the Kwangtung-Kiangsi-Hunan border.

Omnibus service on the newly constructed highway between Taiho and Hingkuo, in southern Kiangsi, began operating Nov. 11.

Omnibus service on the Hankow-Ichang Highway has been operated as far as Tangyang from Hojung. The entire route will be ready for service within this month.

Fukien Forces Rewarded for Meritorious Services

The Nanchang Military Headquarters has remitted a sum of $20,000 to General Chiang Ting-wen, Commander-in-Chief of the Government Forces to Fukien, as a reward to the troops responsible for the capture of Changting.

An official telegram from General Ho Chien of Hunan reports that 4,000 "Reds" are attacking the Government blockhouses around the city of Jucheng, southeastern Hunan. Severe fighting is raging between the opposing sides.

As a result of the concerted efforts of the Government troops, the number of remnant "Red" out-laws along the Honan-Hupeh-Anhwei border has been reduced to 3,000, these belonging to the so-called 25th and 28th "Red" armies. The marauders are roaming the borders of Yingshan and Lotien, eastern Hupeh, and Lihuang and Hwoshan, western Anhwei.

Gen. Liu Hsiang Goes to Kiangsi to See Gen. Chiang

In view of the return of General Chiang Kai-shek to Nanchang, General Liu Hsiang, Bandit-suppression Commander in Szechuan, has left Chengtu for the Kiangsi Capital to see the Generalissimo. After reporting to General Chiang on the bandit-suppression campaign in Szechuan, General Liu will fly to Nanking and then to Shanghai to confer with the Government Authorities and the bankers on the matter of floating of public loan to the amount of $70,000,000 to finance the Anti-Red campaign in Szechuan province.

An order has been received from General Chiang Kai-shek by the Szechuan Authorities, requiring the completion of the five main highways in Szechuan within six months in order to facilitate operations against the Red bandits.

Japanese to Divide Manchuria into Ten Provinces

"Manchukuo" will be reorganized into 10 provinces by the organization law to be effective from December 1, this year, it was reported by *Rengo*. According to the new law, the ten provinces will be: Fengtien; Kirin; Pinkiang; Lungchiang; Chinchow; Antung; Jehol; Sankiang; Chientao; and Heiho.

Akira Ariyoshi, Japanese minister to China, arrived at Peiping from Shanghai November 7. In reply to a question put by a newspaperman as to when Japan would agree to the abrogation of the Tangku Armistice agreement, seeing that China had already fulfilled all her obligations under the pact, Mr. Ariyoshi stated that in his opinion, China had not yet fulfilled her obligations in this connection. He then pointed out that through postal relation between "Manchukuo" and China had not been resumed, while the boundary lines between "Manchukuo" and North China remained to be settled. He emphasized that both these questions formed the subject of understandings between the Chinese and the Japanese delegates at the Tangku armistice conference last year.

General Huang Fu, Chairman of the Peiping Political Council, entertained Mr. Ariyoshi at dinner in the evening of November 12.

According to a *Reuter* reeport, the Miyagoshi case, involving the alleged murder of a Japanese contractor in the Japanese army at Lintoutin early in September, is now settled. A man named Wang Ching-hung, allegedly involved in the murder, has been arrested, while two magistrates, Yu Tien and Tsun Hua, have been dismissed, in addition a compensation of $10,000 has been paid to the family of Mr. Miyagoshi.

The retrocession of Malanyu by the Japanese scheduled to take place November 15 has been postponed again.

Several groups of Japanese tourists, without passports, have arrived in Swatow during the last few days and are touring the surrounding country and photographing the strategic points of the city. The Kwangtung Provincial Government has issued orders to prohibit such persons from visiting the interior without passports and representations have been made to the Japanese Consul in Canton.

11,000 Men Fell in 1933 War Against the Japanese

The campaign of resistance against the invasion of Hopei province by the Japanese troops 1933 costed the lives of 11,000 officers and soldiers of the Northern Forces, according to an official investigation by the Peiping Branch of the Military Affairs Commission. The remains of 220 dead will be conveyed southwards to be interred at the National Cemetery for the War Dead at Lingkussu outside Nanking.

It is reported that a large quantity of treasures and other valuables stolen from the Peiping Palace Museum has been taken to "Manchukuo." Yi Pei-chi, former director of the Palace Museum, who is charged with stealing the missing treasures and for whose arrest a warrant has been issued by the Nanking Government, is said to be in hiding in the Japanese concession at Tientsin.

Hopei Provincial Government Reorganized

The Executive Yuan at its meeting November 9 decided upon a reorganization of the Hopei Provincial Government. General Yu Hsueh-chung retains his post as Chairman, but Wei Chan was resplaced by Chang Hou-wan as Commissioner of Civil Affairs, Chow Ping-ling by Cheng Tao-lu as Commissioner of Education, Lin Chen-hsiu by Chang Lai-shenng as Commissioner of Reconstruction. Lu Mu-ting, the Commissioner of Finance, was re-confirmed in his post. The Department of Industry was ordered to be abolished and its affairs are to be amalgamated with the Department of Reconstruction. Chang Ting-ao was appointed Mayor of Tientsin in succession to Mr. Wang Tao, who has been transferred to another post.

The establishmennt of a joint office for the various Hopei Provincial Departments will be carried out on January 1, 1935, General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, said in an interview November 10.

In pursuance of intructions given by General Chiang Kai-shek before his departure from Peiping last week, the Bureau of Social Affairs of the Peiping Municipal Government

has prepared nine regulations calculated to "maintain good morals" in Peiping. According to the first regulation, no further rgeistration will be granted to waitresses. The second regulation prohibits the practice of men and women walking arm in arm in public places. Regulation three makes the recently promulgated rules against queer dress applicable to actresses. The fifth regulation says that simplicity should be the keynote of male attire.

Lio Shao-hsiang and General Chi Hung-chang, former subordinates of General Feng Yu-hsiang, were murdered and General Jen Ying-chi, former army commander of the Chihil-Shantung Forces, was injured at the hands of assassins in Tientsin night November 10.

Gold depesits have been discovered in the districts of Changping, Tsion-an, Hsinglung and Shihmen, in north-eastern Hopei.

Plans for dredging the lower reaches of the Yungting River, for a distance of 70 kilometers at a cost of $200,000, have been mapped out by the Haiho Conservancy Bureau at Tientsin.

Because of financial stringency, the Tsingtao Municipal Government has decided to issue a municipal loan of $2,000,000. The bonds will be secured on the wharfage dues and water charges.

To assist the development of the mining industry in Shansi province, the Ministry of Industry has authorized the organisation of a North Shansi Mining Corporation. The Corporation is sponsored by General Yen Hsi shan capitalized at $1,500,000.

Motor Traffic to Hami Restored

Following the completion of the trunk highways in the interior the Suiyuan-Sinkiang highway has been extended and motor cars are now able to reach Hami. The first passenger and freight bus from Tientsin left on November 15 for Hami. The officials of the bus company are making plans to extend the service to Tihua.

In accordance with its recent decision to extend the Paotou-Ninghsia air route to Kweihua, the Eurasia Aviation Corporation has despatched a German engineer to Kweihua to make an inspection of the airdome, outside the East Gate. A trial flight, it is learned, will shortly be made.

The annual migration of homeless refugees from Honan to the north has started again as thusands of men, women and children are moving to Shensi and Shansi to seek for food and shelter. Reports received at Kaifeng state that 1,000 Honan refugees have arrived in Loyang, while others are now in Anyang. Owing to the rush for coaches bound for the west November 12, one child was killed when he fell on the tracks. Two others died from cold.

Plan For Customs Unit in Hongkong is Denied

A spokesman of the Ministry of Finance denied November 13 that the Government was contemplating the establishment of a customs station in Hongkong. He added that telegrams has been received from commercial bodies in Canton protesting the move which, he declared, was absolutely unfounded.

Canton to Make Foreign Firms Pay Tax

A *Reuter* report from Canton November 10 states that during the past few days the Business aTx Bureau has sent out officers to persuade foreign firms to pay the business tax before November 15. They have been warned that if they do not pay before the time fixed, strict measures will be taken to force them to do so.

An embargo on the export of silver was proclaimed in the press Nov. 14 by the Finance Department of the Kwangtung Provincial Government. The proclamation was issued on instructions received from the South-west Political Council and comes into effect on said say. Persons leaving Canton for places outside of Kwangtung province are strictly forbidden to carry with them silver coins exceeding $20, while the export of silver bullion or bars, regardless of their value, is completely prohibited.

Two representatives of the Kwangtung and Kwangsi Provincial Governments are now in Shanghai negotiating with the leading Chinese banks for a loan to finance the large sugar projects recently launched in the South. Kwangsi is seeking a loan of $500,000 to establish a big sugar refinery at Liuchow, and also to open up large sugar plantations in that province.

Several leading Cantonese businessmen in Hongkong, in co-operation with Overseas Chinese from the Dutch East Indies, New York City and Trinidad, have organized a company to develop oil, silver and other natural resources in Kweichow province. A sum of $600,000 has already been raised to finance the work.

Dr. Sun's Birthday Anniversary Widely Observed

Millions of people throughout the country paid homage to Dr. Sun Yat-sen on the 69th birthday anniversary of the Chinese revolutionary leader November 12. The highest government officials, headed by Sun Fo, President of the Legislative Yuan and son of the late Leader, and his family, assembled in the morning of that day for a brief service at the Sun Yat-sen Mausoleum at the foot of the Purple Hills. Two thousand boy scouts laid a wreath on the tombs after the service. Reports received at Nanking state that appropriate ceremonies were also held at Peiping, Tsingtao, Tientsin, Nanchang, Anking, Kaifeng, Changsha, Hankow and Canton.

Quo Tai-chi, Minister to Great Britain, has petitioned the Ministry of Foreign Affairs for a leave of absence to return to China for a visit. Minister Quo is expected to leave London for China sometime this month, but no definite date of departure has been fixed. The purpose of Minister Quo's visit is to report to the Government on his mission abroad during the past three years and to attend to his private affairs in the country.

Law on Nationality of Foreign Women Marrying Chinese

A ruling regarding the nationality of foreign women marrying Chinese husband was announced by the Judicial Yuan. According to Art. 2 of the Law of Nationality, any foreign woman marrying a Chinese becomes *ipso facto* a Chinese citizen, provided that the laws of her own country do not require her to retain her original nationality. According to the ruling, therefore, all she has to do is to register with the Chinese Government through the Ministry of Interior. Before registration, however, the ruling points out, she is already a Chinese citizen by virtue of her marriage. She need not apply to the Ministry of Interior for citizenship, but for *registration* of her Chinese citizenship which she has already acquired. In the case of one applying for naturalization, however, the ruling is different. The applicant for citizenship does not become a Chinese citizen until his or her application has been formally approved by the Government.

$50,000,000 Foreign Rice Imported

According to information from the bureau of foreign trade, rice imported into China from India, Annam, Siam and Japan during the first nine months of 1934 is valued at $50,000,000.

The Ministry of Communcations has instructed the China National Aviation Corporation to open a new service between Chungking, Kweiyang to Kunming in Yunnan. The opening of the new line will cost $250,000. The Ministry has already appropriated $50,000 for the project.

The National Reconstruction Commission has concluded a loan of $3,700,000 with a syndicate of Chinese banks in Shanghai for the purpose of financing the expansion of the Power Plants in Nanking and Shishihyen in Changchow, and completion of the Huai-Nan Railway.

A sum of $67,500 (equivalent to £4,500) towards the amortisation of the Loan obligations of the Nanking-Shanghai Railway Administration, has been remitted to the British and Chinese Corporation.

Large Sums Raised for Railway Development

A sum of $190,000 has been allotted by the Ministry of Railways towards the construction of the projected Central Railway Station at Nanking.

Ku Meng-yu, Minister of Railways, is negotiating for a loan of $4,000,000 to improve the freight services of the Tientsin-Pukow Railway. The scheme calls for the purchase of 16 locomotives and 300 freight cars.

The China Reconstruction Finance Corporation is also negotiating with the Shanghai banks for a loan of $3,000,000 to complete the construction of the Huainan railway.

Plans are also being made by the Shantung provincial government to extend the Kiaochow Railway to the Taoching

line, penerating into the heart of the cotton territory. This line will cost $5,000,000 and is expected to yield an additional revenue of $600,000 annually.

The Tientsin-Pukow Railway Administration is arranging to put up a new office building at Hsiakwan, Nanking at a cost of $750,000.

The Kiangsu and Chekiang provinces have succeeded in securing a loan of $2,000,000 from the British Boxer Indemnity Committee.

119 Students Leave on Nanking Scholarships

During the past 10 months, a total of 119 students went abroad on government scholarships for advanced studies. Altogether, 45 students went to the United States, 33 to England, 25 to Italy, 11 to Germany, 4 to Japan and one to France; 104 students take science courses, and 15 courses in general arts.

China ranks eighteenth among the leading nations of the world in the matter of Higher education, but is twenty-fourth with respect to Primary education so far as the size of school attendance is concerned, according to a statistical comparison just drawn up by the Ministry of Education.

The donation of RM 80,000 by the Chinese Government towards the foundation fund of the Frankfurt China Institute in Germany has been sanctioned by the Central Political Council.

The women of China have won their war to secure revision of the new provision in the criminal code whereby married members of their sex are liable to imprisonment for twelve months if convicted of adultery. The Central Political Council, at a meeting Nov. 14 decided to request the Legislative Yuan to revise Article 239 of the Criminal Code —the provision in question—on a basis of sex equality. The decision was the result of strong agitation by women's organizations at Nanking and Shanghai because the article provided imprisonment for married women convicted of adultery, but omitted to make the same provision regarding married men.

In accordance with the petition of Dr. H. H. Kung, Minister of Finance, the Executive Yuan, at its meeting decided to reduce by one-half the rate of taxation on native tobacco and cigarettes imported from non-special tax areas into the special tax areas of Kiangsu, Chekiang, Anhwei, Honan, Hupeh, Kiangsi and Fukien; such reduction to be granted upon the presentation of the tax receipts from the monopoly sales office in the producing area to the first tax-collecting station of the special tax area. For each 100 Shih Chin (Kilogrammes), a reduced tax of $2,075 will be imposed on such native tobacco and cigarettes, so as to reduce the burden of the tobacco merchants.

Compulsory registration of all banks is urged by the Shanghai Association of Chartered Accountants in identic petitions to the Ministries of Finance and Industry in view of the recent bank failures.

160,000 laborers have been recruited for the conservancy work on the Huai Ho (River) to divert its course for the irrigation of several districts.

CHINESE PRESS OPINION

DR. SUN'S BIRTHDAY ANNIVERSARY

Commenting on the 69th Birthday Anniversary of Dr. Sun Yat-sen, the *Shun Pao* asks the Government to pay more attention to the productive power of the people, which is one of the three main principles embodied in the teachings of the Kuomintang founder. The editorial says:

"Ten years have elapsed since Dr. Sun's death. The conditions in China are no better to-day. The tragic events and the critical conditions have not impressed those in high and low offices in the Government. Have they really forgotten the principles laid down by the revolutionary leader or are they unwilling to carry out their duties?"

THE U.S.S.R. ANNIVERSAY

Commenting on the 17th anniversary of the establishment of the Union of Socialist Soviet Russia, the *China Times* says that China should not disregard Russia because it has a communistic form of government nor try to follow after the exact footsteps of the Soviet leaders in building up a new nation. China should act as a close observer and should still follow her own traditions in developing the nation and take whatever is practical and good as an example for future endeavours.

ANOTHER STEP IN TECHNICAL CO-OPERATION

The *China Times* in an editorial extends a hearty welcome to the four foreign engineers of the Communications and Transit Organization of the League of Nations who are en route to China to advise Nanking on the installation of hydraulic work and the construction of highways. But this journal sees further interference from her neighbouring state and warns China to be prepared for unexpected happenings. The paper comments: "We strongly believe that the co-operation between the League of Nations and China is entirely on the technical side. There are no secret agreements which cannot be opened to the public. Japan, who is always closely watching the events in this country, may still take this as an excuse to make further demands upon China. We should, be prepared to face any unexpected happenings that may come in the future."

WELCOME OF HU WEN-HU

In an editorial on the visit of Hu Wen-fu (Aw Boon Hwa) to China, the Peiping *World Daily News* says:

"Mr. Hu is a leading overseas Chinese merchant and has assisted in the development of many enterprises in China, including the establishment of the Central Hospital in Nanking, to which he contributed a handsome sum. We hope that he will induce other overseas Chinese merchants to interest themselves in development work in their mother country. On the other hand, the National Government should not be satisfied with the mere business of welcoming Mr. Hu but should draw up a plan to attract the capital of overseas Chinese to China. At the same time measures should be devised to protect Chinese remaining abroad from further discrimination by their territorial authorities. In other words, we should not welcome Mr. Hu as the ignorant people would welcome the God of Wealth."

LEGAL EQUALITY OF SEXES

Commenting on the opposition of woman organizations to the recent amendment by the Legislative Yuan to the revised Criminal Code to the effect that a married woman guilty of illicit relations with a man shall be sentenced to imprisonment of one year, the *Hua Pei Jih Pao* made the following remarks:

"Let us see what the leaders of the women's movement have done and are doing. They are vying with one another in imitating foreign ways of living. Instead of applying themselves to the acquisition of new knowledge, they spend large sums of money on dresses and cosmetics. Many of them are mere social parasites, living on the earnings of their husbands. There is some point in the popular description of modern girls in government organs as 'flower vases' for the edification of their male superiors. Our women leaders are clamoring for rights but they do not seem to realize that for every right there is a corresponding obligation and that if women are to win the respect of men, they must prove their readiness to shoulder responsibilities required of them by society."

THE DEATH OF SZE LIANG-TSAI

Paying high tribute to the work which the late Sze Liang-tsai, publisher of the *Shun Pao* and part owner of the *Sin Wen Pao*, had done in the Chinese newspaper world and for the country in general, the *Shun Pao* says that it was one of Mr. Sze's chief aims to educate the public through his journalistic work. The *Sin Wen Pao* also reviews the philanthropic work of Mr. Sze but questions the motive behind the assassination.

Nippon Military's Policy as Seen Through Its Recent Declaration

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

THE pamphlet distributed by the military at the beginning of last month started various criticisms of newspapers and created a big sensation through the country.

Later, well-known critics of the country took up the matter carefully and published their views through November issues of leading magazines. In translating these articles of the critics and statesmen the scribe exercised special care to introduce not only how they regard the pamphlet itself but also their views on the conditions of the Japanese military-dom as it is reflected in the pamphlet. (The pamphlet referred to in a previous issue of the Review—is said of 46 pages, the circulation being estimated at about 150,000, and distributed, according to newspapers, among Genro, senior statesmen, Cabinet Ministers, retired officers, young men's training institutes, town and village headmen, school principals and others)

Generally speaking the contents of the pamphlet invite adverse criticism as being ambiguous and at places even contradictory, but as regards the circumstances, of which the publication was born, both favorable and unfavorable comments are made. The following are criticisms by responsible persons.

"Supremacy of the Military"

Masazumi Ando (安藤正純), *leader of the Seiyukai Party—Chuo Koron, Novermber:* The first impression I obtained by going over the passages of the pamphlet was the "supremacy of the military." It cannot be said that the military went through proper formalities in bringing the pamphlet to light. Strictly speaking this act of the military has the possibility of brewing a trouble-some consequence. For the War Office to make public such a publication, it is too obvious that it ought to have gone through due formalities. This serves to endorse that the military's sense of supremacy has unknowingly come to forget the existence of the Cabinet. I wonder why the army failed to bring the views for discussion at the Cabinet meeting as a platform of the present Ministry. The navy's declaration issue of last year, the army-navy alienation incident and the present case of army's issuing pamphlets on national defense —all these events which were born of military's sense of predominance may, I am afraid, eventually prove a burden upon its own shoulders.

"A Third Party"

Retsu Kiyozawa (清澤冽), *Chuo Koron, November:* Vice-War Minister, Gen. Hashimoto speaking to the reporters says to the effect that they have made public what they thought best for the country and they have no intention to enforce it, and that they are prepared to listen attentively to criticisms of the people and are even willing to correct where it is improper in accordance with their suggestions. The military attempts at acquiring the administration authority in Manchuria, and the general situations tend to spur the military on the goal. While thus grasping the actual right of administration, it formulates its own state policy and place it before the nation for comments. What is this phenomenon but the appearance of "a third party"? This "third party" is stranger than anything existing.

National Defence Emphasized

Chigyo Ishihama (石濱知行), *Chuo Koron, November:* It is quite doubtful whether the ideology and program contained in the pamphlet perfectly represent those of the younger officers. Therefore, even if the pamphlet is demonstrated as the product of the will of the entire military circle, it cannot be denied that the publication was "retouched" by the hands of higher officers before it was brought to light. War Minister Hayashi declares that the object of the publication is nothing more then to seek deeper understanding of the nation regarding national defense. This I do not doubt, but at the same time we cannot but remain ignorant of the existence of an important service the pamphlet does; Suntze (孫子) of old China says to the effect that in attacking a castle the besiegers must leave an outlet for the enemy troops to retreat. In Japan they say even a rat, driven to a corner, may attack a cat. In this respect we understand that the publication this time has no meagre political effect upon the military circle itself.

Militaty May Take Part in Politics

Seigo Nakano (中野正剛), *leader of the Kokuminto Party-Chuo Koron, November:* The much-fussed-about question of the army's issuing pamphlet ought not be criticized based simply on the category of "the military man should not participate in the state politics." The present day Japan which is in the emergency period should emerge from all sorts of commonplace forms. The military not only participates in politics but actually leads and even restrain the state of Nippon. Though doubtful whether such a situation is to be regarded as an orderly society, yet it is nevertheless the actual state of the present day Japan . . . . . Not only the military but also some other circles which stand on the same footing with the military as regards the impropriety of meddling the state politics, are actually participating in politics either openly or secretly: (1) the Gebro and senior statesmen form an important background of the politics while (2) bureaucrats, under the new banner of "new bureaucracy" relinquished administrative business assigned to them and begun secret activities. Now, under such circumstances, could the military alone remain politically inactive. It is impossible to prevent only the military from touching the state politics.

Controlled Economics

Kojiro Sugimori (杉傑孝次郎), *Kaizo, November:* The pamphlet issued by the military this time has created no small sensation within and without the country. The event must have no doubt further served to impress upon the people the predominance possessed by the military . . . . What made the publication so sensational is among others the fact that the year 1935 is close at hand. The appearance of the Okada Cabinet and its subsistence until today are among the product of this circumstance . . . . . As one of the most important phases of the declaration of the military we may point out the military's demonstration of controlled economics. The controlled economics is a necessity in war time . . . . One of the foremost necessity confronting Japan is, in my idea, that the military's sense of economic control should be infused into the minds of existing industrialists. It seems to me, this is not only an absolute necessity within the country but also quite important in Japan's exercising her policy in Manchuria.

Hitoshi Ashida (芦田均), *Kaizo, November:* Recently the spokesmen's declarations sow seeds of trouble at home and abroad. Thinking that they may cause to invite foreign suspicion, we cannot but advise to weigh the possible effect of the attempt with prudence. It is up to the Government to explain why Japan alone should have so many spokesmen.

Hitoshi Yamakawa (三川均), *Kaizo, November:* Mr. Seigo Nakano, leader of Kokumin-domei Party who sympathizes with the military's views, said in Oct. 3 *Tokyo Nichi Nichi* that it was because the military men realized the need of bringing home into the minds of the people the fundamental idea of why they must bear the heavy military burden; while Dr. Katzuji Inahara who is inclined to approve the actions of the military, also declares that the general impression which the pamphlet gives is the illustration of why the nation should bear so heavy a defensive burden on one hand and the military's attempt at bringing the nation in its "grip." Even though the aim and motive of the military's attempt this time did not actually lie in such respect, when the "fundamental principle of the national defence" is clearly understood by the nation it will give favorable influence upon the military's obtaining its badgetary share.

A Sense of Responsibility

Seigo Nakano (中野正剛), *Keizai Orai, November:* The pamphlet conveys only the general idea and the military refrains from further going into details; in this point we find military's modesty and prudence. Going further, it might have met with an uninvited predicament. Indeed, it was good that it did not go into further details. The military circle is sympathetic toward progressive moderatism and cool toward conservative bigots. The military never puts itself forward, bears no knowing look, shows no corruptive tendency or the sign of degeneration—what it should do is no more than to silently watch with its sharp look. What the people should demand of the military is not further details of its declaration in more concrete form but the sense of responsibility for what it made public.

Mozaburo Suzuki (木鈴茂三郎), *Keizai Orai, November:* The military, in its pamplet recently issued, showed readiness to receive any comments on the contents from general public. Throwing away the hereditary self-imposing attitude, the military, with this generous attitude, made its appearance among the masses. This proves the fact that military has made a new progress . . . . Gen. Yamamoto, Japan's delegate to London preliminary conference this time, clearly stated upon landing Seattle that between Soviet and Japan there is not a trouble no solution of which could be made without their going to war; whereas, the pamphlet states something different and stresses the arrival of a national crisis. Besides, the pamphlet mercilessly under-rate the service of the state diplomatic measures. As has been repeatedly assured by the Government the state policy of the country upholds the principle of preserving peace. The military ought not make light of the diplomatic service.

Jun Tosaka (戸坂潤), *Bungei Shunju, November:* The military believes that the rural depression is due principally to the rival position between the agrarian community and towns. Putting aside the question of whether such a contention of the military is unreasonable or not, we find that the people show no opposition to it; rather they seem to express no small appreciation. As the military which is the god of agrarians, endorses the need of rural rehabilitation, people are quite satisfied in this respect.

Can Chinese Students Be Banned from Cabarets?

BY B.Y. LEE (李炳都)

SINCE China has come into contact with western nations, particularly since the last decade, the people, especially the younger generation, accept western manufactured products and western social usages as well as customs at their par value. Anything foreign is modern and anything Chinese is old-fashioned. They are inclined to act and think as westerners do, but only in superficial ways, without scrutinizing what should be acceptable and what should be refused. During the past decade of social and industrial revolution in China, many radical changes have taken place. Universities and colleges have been founded in many metropolises, such as Shanghai, Hankow, Tientsin, Peiping, Canton, and so forth. Thousands of young folks flock to these cities to obtain a higher education, and their parents are wealthy, but ignorant of social conditions existing in the cities in which the schools are located. Either due to their ignorance or due to the love of their daughters and sons, they are liberal in remitting checks to their loved ones. As these newly founded educational institutions are slack in the enforcement of regulations the students have little trouble in passing the examinations. As a result these youngsters live an easy life with plenty of money at their command, and it is quite natural that they should incline toward some form of bodily recreation. As they are young and inexperienced in world affairs, they are easily influenced by all sorts of evil temptations.

Scores of cabarets have come in existence in these metropolises, more particularly in foreign settlements, where the Chinese authority can not be extended. The City Mayors of both Canton and Peiping have lately banned cabarets and dance halls under their jurisdiction. But the problem in Shanghai is difficult to solve on account of the existence of foreign settlements. And, besides, Shanghai has more colleges and students than any other city of China. How and by what methods can students be banned from cabarets in Shanghai? This is a serious question and is difficult to solve. The government officials in Nanking, who have the welfare of their country at heart, view with alarm the increasing tendency of young students to forsake their studies for the cabarets. The Ministry of Education has recently raised objections to public dancing patronized by college students and has issued orders to ban all students from going there. It is suggested that students must put on school uniforms while on the street so that the police can keep track of them. But the problem is not so simple as that. The young mind can work wonders to evade the police. The student who frequents cabarets is not so stupid as one may think. The uniform regulation can be put aside without question. Another suggestion is that young students should be taught to avoid public dancing. How they are to be taught is a question. Haven't they enough common sense to tell that it is morally wrong to frequent cabarets and spend their parent's hard-earned cash for painted-faced dancing partners while they should be in school to pursue an education?

Cabaret Patrons Not Good Students

There are other methods which may be far more effective than those just mentioned to prevent young students going to cabarets. It is a fact that cabaret-patrons are not good students, and if the schools were well organized and managed these youngsters could never graduate. But the principal trouble is that they can get their diplomas anyhow after having attended classes for four years whether they study or not. Why does not the Ministry of Education supervise and regulate the colleges and universities more strictly? When a student fails in a certain number of subjects he should be expelled from the institution which he attends, or his parents should be given full details as to the causes of the youngster's failure. But that the youngster goes astray is principally due to the superficial education or the lack of real education. Confucius says: "When the root is distorted, the branches can not be right "During the period of character-building, the youngster must have a strong foundation in order to face storms. The fault lies partially in the student; but school principals, college presidents and the government authorities are to be blamed. The parents should not give too much money to the youngsters; they should scrutinize carefully how much their sons ought to spend regardless of their financial abundance. It is roughly estimated that each student in Shanghai colleges spends more than one thousand dollars a year of about eight school months, or at least $120 per month. But with careful management, a student may get along in college a year with a minimum of $400. Formerly most of the colleges used imported foreign text-books, the price of which was very high. Now-a-days many foreign books are printed in China and the price is very low, and besides, many students study only Chinese courses, which are supplied with printed notes. The actual amount paid to the school is about $300 besides sundry expenses.

Students are given too much money, and they spend unwisely as a means to seek after recreation. A good student should not spend more than $600 a year except may be those who go to see doctors frequently or are fond of expensive books. Students in Chinese colleges are mostly from families of means, and a very few "work their way through colleges" as there is a rare chance for any student to secure an odd job while pursuing his studies. It is generally acepted that students who spend more than $1200 a school year are more or less morally corrupted. When such spendthrift students go to cabarets, they may tip their dancing partners with a ten dollar bill without any slightest consideration as to where the money comes. Many parents are abroad and are totally ignorant of social and economic conditions in Shnaghai, and give whatever amount their sons or daughters in schools request. Those who have had experience with students in Shanghai would never care to act as guardians for them. In many instances the guardians have recieved hard blows and kicks from the rowdy student when requests for large sums of money without sound reasons were refused. To prevent students going to cabarets is the duty of school masters and parents. The voice of protest against students going to cabarets was recently raised by the Chinese Christian Ten Men's Corps for the Salvation of the Nation. They have petitioned the Shanghai settlement authorities to prevent Chinese students from attending cabarets. The authorities have been requested to insert a clause in the license permit forbidding students to frequent public dancing halls. One wonders what effect this petition will have.

Public dancing is a social evil in itself, particularly to the young student; it leads to nothing but immorality. Cabaret girls are the most favorable attraction that leads especially the youngsters to the sordid depth, which nobody is willing at the beginning to fall into. Since the service of the professional girls are gained through the mere process of spending money, their sole aim is to earn money to sustain their lives, either by hook or by crook. Public dancing halls are easily approached, while sing-song girl houses or other evil institutions may not be freely open to youngsters. Prostitution is much similar in nature to cabaret dancing. But the young mind considers the cabaret modern and clean, because it is of foreign origin. We have no reliable statistics to show how many young students have been ruined by cabaret girls, but certainly the number is very large. From the Chinese daily press we read almost daily that a certain young man runs away with a cabaret girl or spends all his money in public dancing halls, and later commits suicide. More and more are the morals of young men and women being corrupted by the tango; these things never happened a decade ago. How can the country be saved when the younger generation displays no anxiety or patriotic aims for its salvation?

Youth Fritters Away Valuable Time

It is often said that the student of to-day is the master of tomorrow. But how can he be the master of the country by indulging himself in dancing while he should be diligent in his studies? A country is degenerated by its corrupted youth. Those who have the welfare of their country at heart can not tolerate to see the sight of youngsters swinging round the dance floors to the tunes of imported foreign bands. There is no sensible reason for Chinese youngsters to fritter away precious moments when the country needs saving. Three years ago when the country was invaded by foreign foes and three provinces were taken away, from her, young students all over the country cried louly and offered their lives for the defense of their country. Now the situation becomes quieter and they forget their country still needs them, but ruin themselves spiritually and financially by patronizing in dance halls or falling in love with dancing partners. The latest voice heard is that of the Shanghai Universities Federation, which has decided to submit a letter to the Shanghai City Government requesting co-operation in the ban on dancing by students. Police will visit dance halls and will arrest students found therein, the punishment being dismissal from school. It is said that Emperor Nero fiddled while Rome burned; and it is equally true that while China is being invaded by foreign foes young students are dancing in cabarets.

The root of all evils among the youngsters lies in the improper and inefficient education which they receive in schools now-a-days. They have received no moral background or moral training in society or at schools. The old religion is gone; the old moral principles are considered old-fashioned. In schools they learn nothing of this sort, and they may not learn anything at all. They are free; schools do not enforce discipline or moral training. When they are in colleges they consider themselves educated persons, ignoring whether they have learned anything or not. They are not afraid of gods or higher authorities or future punishment. The recent revivial of Confucianism as a means to cure the students' ills may have some moral effect upon the young mind. If all students are throughly drilled with the moral principles of the old sage, social evils, especially modern social evils like public dancing, may be partly or entirely eliminated. The task of national salvation and self-preservation cannot be accomplished except by the improvement of each individual citizen, particularly the educated ones, and by strict observance of the time-honored moral principles, like those of Confucius. The moral standard of China to-day reaches the lowest ebb in China's history, and it is not denied that stricting for the right must be sought after so that the old Chinese civilization may survive. Public dancing is one of the thousand social evils that are being indulged in by young students, and that must be forbidden before they fall too deep into modern pitfalls. Confucius says: "If one wishes to uproot evil, one must uproot its causes." How to uproot its causes depends more upon school masters and parents than that upon the young minds. Social reforms and social workers are badly needed in modern China. We need genuine minds and genuine spirits to wipe out modern social evils in China; more orders or written regulations will not bring any material results. Those who love China must love its youths; those who love the youths must try their best to get them out of the modern pitfalls into which they have already fallen.

Shanghai, Nov. 12, 1934.

"Swallow Princess" Is Crowned Queen of the Dance

(Translated from the "Journal de Shanghai")

DESPITE the fact that the New China is a republic, numerous are its queens: Queens of beauty, queens of the cinema, queens of the dance, queens of the universities, queens of the theatre, and flower queens. Yesterday afternoon a selected public assembled at the Paramount to witness the crowning of a new queen of the dance: Miss Yen Fei, or "The Swallow Princess," the charming cognomen of an attractive young star from the large Chinese cinema company, "United Photo Play Service," which has produced a film in Chinese known as "The Song of the Fisherman," the first Chinese film to be shown in Paris and other parts of Europe. Her majesty, the new queen is a lithe and slender Cantonese girl of a rare beauty and a golden voice . . . . Although the directors of Chinese universities in Shanghai recently decided to forbid their students to frequent dance halls, this severe restriction did not prevent many of them from attending this function in order to pay their tribute of admiration to a young and gracious sovereign. In addition, some very high Chinese personages came with their families to attend the coronation so as to have the pleasure of saluting the petite "Swallow Princess."

—Courtesy "Journal de Shanghai"

"THE SWALLOW PRINCESS"

[We print the above mostly for the benefit of subscribers abroad. Many of them are probably not aware of the fact that there are many beautiful women among the Chinese. It illustrates the temptations which confront the students—as outlined in the article on the preceding page by Mr. Lee. In this connection also it may interest the outside world to know that the daily press in Shanghai derives its principal revenue from advertisements of what may be described as the "night life"—cinemas, concerts, dance halls, and various contests of which betting is the principal *motif*. It was said of the "country" press in the United States in the old days that "a free press" would have been impossible without the incidence of the "patent medicine" advertisements. Paraphrasing the above, it is almost equally true that in Shanghai, as far as English daily newspapers are concerned, a "free press" would be almost impossible without the revenue from the "night life" advertisements."—Ed. *C. W.* R.]

W. H. Donald Stresses China's Needs in Economic Field

"China has today its best chance to become a strong country. The present chance is better than any chance she had had during the twenty-three years since the birth of the Republic. China's greatest hope now lies in the progressive spirit of such leaders as General Chiang Kai-shek and Marshal Chang Hsueh-liang. These leaders' spirit has created the great chance for China."

Thus stated W. H. Donald, adviser, and a close friend of General Chiang and Marshal Chang, in an interview in *The Peiping Chronicle* Oct. 28. Mr. Donald accompanied the Generalissimo and the Marshal in their trip to the Northwest.

"I firmly believe that General Chiang and Marshal Chang are now working for the benefit of the people, suppressing corruption in officialdom, punishing wicked squeezers, fighting drug addiction, doing all things that are good for the people in China, and trying to get rid of the things that are harmful," continued Mr. Donald. Mr. Donald, who has worked for more than thirty years with many leaders in China, including the late Dr. Sun Yat-sen, said that the present leadership of General Chiang Kai-shek had created the best chance China has ever had for many years past.

Questioned about Communist-suppression in Kiangsi, Mr. Donald said that the campaign would soon be concluded because the Government "has won over the people" from the embrace of the Communists. The Government authorities in Kiangsi, Mr. Donald pointed out, are now doing their best to "render service" to the people, abolishing all kinds of illegal taxes, building factories and roads, opening schools, and improving rural conditions. Therefore the people realized that it is the Government which is benefiting them, and they have deserted the devastating Communists. Mr. Donald said that General Chiang and Marshal Chang were sure that the campaign in Kiangsi could be successfully concluded before the end of the current year.

Speaking on Chinese foreign relations of today, Mr. Donald said that the "present foreign policy followed by the Government, though severely criticized by some observers, is definitely the only policy it can follow, no matter whether it is right or wrong."

Mr. Donald said that if the Chinese organized themselves at the same time as pursuing the present foreign policy, that policy might be the right one. "But it would sell the country," it was declared emphatically, "if the Chinese did not realize the danger of the present period."

"Economic development is essential for the future of China," continued Mr. Donald, adding: "China can defeat her enemies without using arms, if China can make all the goods she needs, and grow all the food she imports." Mr. Donald pointed out that the National Economic Council, led by T. V. Soong, former Minister of Finance, was doing much valuable work in this direction.

The "Osaka Mainichi" Addresses America

In an editorial addressed "To America," the Osaka Mainichi (English edition) Oct. 30, said:

How do both Britain and America regard our proposals for armament with which it is "easy to defend but difficult to attack," for national defense "without menace and with nonr aggression," and for reducing the global tonnage? Views madiffer as to what constitutes offensive weapons relative to ouproposal of cutting them down, but how can any frontal opposiy tion be offered to the proposals that Japan has made?

After all, what concerns America most (Britain may not differ much) appears to be the holding of the ratio of our country's armament below that of America. Should America loudly herald a "concession," it might mean that she would favor Japan with a little larger ratio. But whether or not Japan will build warcraft to the full limit of the treaty stipulation, it would be intojlerable for our nation today to see any discriminatory grade assigned to this country. We are convinced that we have reached the national stage where we may demand international justice.

Our nation believes that the time has come when the past submission should be liquidated—the submission which incidentally resulted in looking on at the trampling of international justice and a failure on our part (though it might have been an unavoidable failure). Therefore, even if there may be room for concession in minor details, we firmly believe it impossible to give ground for an inch in regard to the fundamental principle that our delegates have proposed at the preliminaries.

The answer to the proposal for the abolition of ratio is either Yes or No. It is not subject to deliberation, If, therefore, our basic principles meet flat rejection, there is no necessity of convoking the plenary conference. We do not wish free competition in warcraft building, but if our national demand fails to evoke an agreeable response, whatever follows cannot be helped. We are aware of the presence of many circumstances indicating that warcraft competition will not be apprehensive as in the old days, but we will not take that up here. Let it suffice here to point out the American irrationality of insisting on an antiquated yardstick in spite of the radical changes that have been made in the world today.

London Paper Says Anglo-Japanese Alliance Is Coming

A significant article appeared in the London *Sunday Referee* Nov. 11 frankly stating that a revival, in a new form, of the Anglo-Japanese Alliance is now in the stage of preparation. According to the paper, the Japanese have now intimated that they are willing to accept something less than naval parity, owing to the revival, in a new form, of the alliance. This development says the *Referee*, has been brought about as a result of damage to British interests in the Far East, which the severance of the old treaty between Great Britain and Japan occasioned and it should lead to an arrangement between the two countries to end the cotton war. The paper added that Germany has already reached an understanding with Japan, and the present develoment between England and Japan may result in a new arrangement which would seriously weaken what remains of the entente between France and Britain.

The C.E.R. Sale and the Russian Recognition of "Manchukuo"

BY C. Y. W. MENG (孟 憲 彝)

WE HAVE heard very much about the sale of the C. E. R. (Chinese Eastern Railway) by Russia to Manchukuo. We have also heard very much about the pending "negotiation" between the representatives of Russia, Manchukuo and Japan, who met neither in Russia nor Manchukuo but in Japan; and also about the so-called "mediation" offered by the Japanese foreign minister, etc.

Moscow was at times willing to go much further in meeting the Japanese demands in proposing the conclusion of a "non-aggression pact" with Japan, and in discussing about the "recognition" of Manchukuo; but at other times Moscow stamped its foot at the Japanese military actions in Manchuria, and openly denounced Japanese "militarism." Moscow was at times willing to go on with the negotiation for the sale of the C.E.R. with the representatives from Manchukuo and Japan in Japan; but at other times Moscow turned its face and published all the "secret documents" relating to the Japanese plot to seize the C.E.R., etc. Moscow has at times gone on with intensive war preparations on the Manchurian border; but at other times Moscow adopted a policy which was nothing short of a "weak-kneed" policy before the Japanese aggression. Possibly, even the Japanese themselves could not understand the policy which the Russians have been pursuing regarding the Manchurian situation.

But the latest report has it that through the "mediation" of the Japanese foreign minister, the price (Yen 140,000,000 plus Yen 30,000,000 more as pension for the Russian employees who have to be discharged after the sale) for the sale has been agreed upon by the representatives of Moscow and Hsinking. Hence, it is generally presumed that Moscow is going to give up her right of possession over the Railway.

Reasons for the Sale—Russian Viewpoint

By some it is claimed that Russia really has no more desire to own the Railway, for the simple reason that after the invasion and occupation of Manchuria, and the establishment of Manchukuo, Japan has inaugurated a vigorous and comprehensive scheme of railway development in Manchuria, and the invaders have built the new railways in such locations as to cause the C.E.R. to lose much of its significance and value, political as well as military. Realizing that the C.E.R. is no longer the "life-line" of the Russian policy in the Far East, Russia, having no idea to get into hot water with Manchukuo and Japan over the railway, may prefer to sell it particularly, at a time when Russia considers the completion of the Second 5-Year Industrial Plan as more important than anything else.

By some it is also claimed that Russia has realized that if she did not sell the Railway to Japan, the latter would take the Railway by force, which might precipitate a Russo-Japanese armed conflict. So, the Russian policy is that so long as China is not determined and unable to recover the "lost territory," it is useless for Russia to get into trouble with Japan over the C.E.R. issue. Further, by selling the Railway to Manchukuo and Japan, Russia would realize a fair sum of money much needed in the internal reconstruction work in Russia. So, by disposing of the Railway, Russia would avoid an imminent conflict with Japan, and at the same time gain time, thus enabling her to go on with her reconstructive work.

Reasons for the Sale—Japanese Viewpoint

The sale of the C.E.R. is also considered as a "victory" for Hirota's diplomacy. During the time when the Russo-Japanese situation has become very critical, Geneva, to the surprise of all, suddenly issued an invitation to Russia, to request the latter to join the League of Nations, and further offered her a seat in the Council, France, most friendly to the Japanese aggression in Manchuria, with whom Japan is said to have made some "secret understanding" after the outbreak of Mukden Affair, is now a strong supporter of Moscow's entrance into the League. Great Britain, an old ally of Japan, with whom there has been much talk about the "revival of Anglo-Japanese Alliance," has also wholeheartedly endorsed the Russian entrance into the League. So, with many other nations Moscow's timely move to enter the League has not only greatly strengthened the prestige of the League, but it also indicates that the Japanese attempt to discredit Moscow before the world is a flat failure. While a communist nation has now become more intimate with the other powers, the Island Empire has become more isolated from other powers in the world. It is the change and the new development of the international situation, which, from the Japanese point of view, is not favorable to Japan, that has animated Japan to increase the price of purchase, in order to speed up the transaction. That Japan was able to induce Russia to agree to the price, and to counteract the advantage gained by Russia as a result of her entrance into the League, has caused the islanders to claim that, after all, Japanese diplomacy is "victorious."

Further, from the Japanese point of view, the present important task before them is not so much to conquer Russia after defeating China, but rather to consolidate their position in the newly acquired territory. In order to do so, Japanese needs peace; Japan needs, first of all, the acquisition of Inner Mongolia. So, so long as Japan is able to "gain time" and to go on with her important task; and so long as Japan is able to maintain peace with Russia and to take some timely move when the international situation is no longer favorable to her, Japan considers that her diplomacy has been victorious.

It will then be seen that the C.E.R. problem alone could not settle the Russo-Japanese tension; and that it is the international situation that will decide the tendency of Russo-Japanese relations, and such tendency is now being expressed through the C.E.R. sale.

It is also clear that by putting up a high price for the sale, Russia's aim was to "gain time" and to maintain peace with Japan. By agreeing to increase the price of purchase, Japan's aim is also to "gain time" and to maintain peace with Russia; all purely for their respective national and selfish purposes.

The Recognition of Manchukuo

The sale of the C.E.R. itself is not of much importance to Japan as she has already succeeded in rendering the C.E.R. valueless. What remains is only the change of the legal title of the C. E. R. Where the sale attains significance, from the Japanese point of view, is the Japanese presumption, and the advantage gained by the Japanese, that the sale is tantamount to a "de facto" recognition of Manchukuo by Russia. The Japanese propagandists could now openly announce to the world that "Moscow has now recognized Manchukuo". Russia may not intend it so, but the Japanese will insist on interpreting it so.

Japan has been doing what it could to gain recognition of Manchukuo by the powers. So far she has succeeded only in gaining one recognition from one small power. At present, there has been much talk about the possible recognition of Manchukuo by Germany, Poland and other Bulkan States. Once the sale of the C.E.R. is completed, Japan would undoubtedly regard such as one of the most significant events since the outbreak of the Manchurian situation, and would lose no time to indicate to the world that Russia has accorded a *de facto* recognition to Manchukuo. In order to support their contention, Japan would point out two instances, namely, the signing of the "Navigation Agreement" of September 4, allegedly between Russia and Manchukuo; and secondly, the payment of the price of purchase of the C.E.R. sale.

"Navigation Agreement"—First Russo-Manchukuo Agreement Truce?

Let us now discuss the first instance. As far as we know the navigation agreement of September 4, was not signed between Russia and Manchukuo, but between Kabarovsk, now Capital of one independent Republic in the Far East, and a navigation company in Harbin, the general manager of which is a Chinese, while the assistant manager is a Japanese. So it is clear that it could not be regarded as the signing of an agreement between Russia and Manchukuo—the formal opening of contact between these two parties.

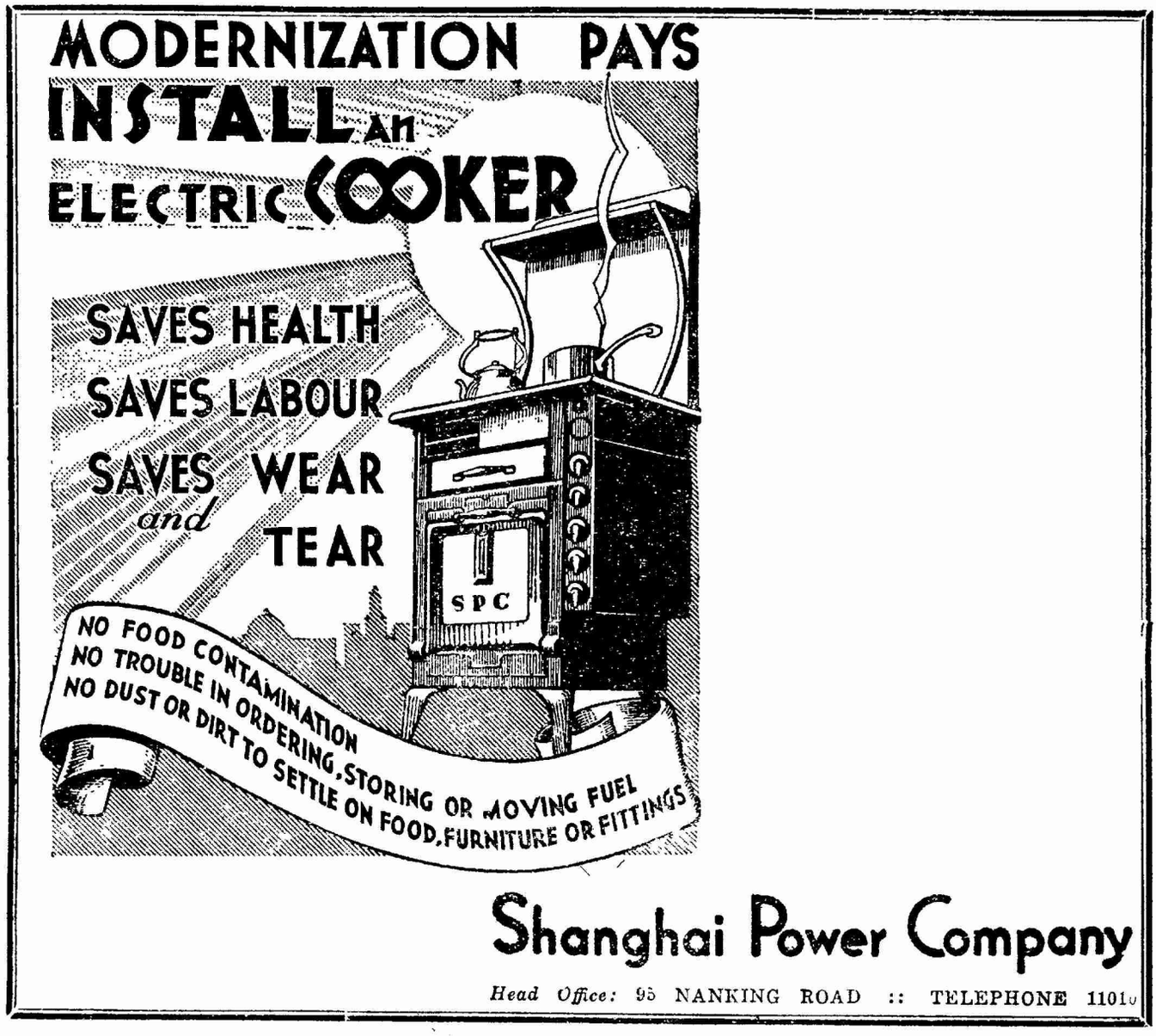
As to the second instance, it is said that the purchaser of the C.E.R. would pay the price by one of the following methods:—(1) By Japan; (2) Manchukuo through the issuance of bonds in Japan; and (3) by the S.M.R. (South Manchuria Railway) Company.

If the payment is made by Japan, it is then a sale of the C.E.R. to Japan, not to Manchukuo. Japan has already recognized Manchukuo, so then it could never be regarded as a Russian *de facto* recognition of Manchukuo.

The payment by Manchukuo is physically impossible; and even through the issuance of bonds in Japan, it is also a difficult task, as the public bonds issued by the Japanese government are already beyond the ability of the Japanese people to bear. So possibly, the purchaser would resort to the last way to pay, that is by the S.M.R. Company.

But the S.M.R. Company is a commercial organ, and the C.E.R. company is also a commercial organ. Then the sale and purchase is purely a commercial transaction, it could not be regarded as a *de facto* recognition of the new state.

That is to say, Japan could go on and increase the price of purchase in order to induce the Russian owners to give up the right of possession of the C.E.R., but it is sure that Russia would only agree to a transaction of a commercial nature; and that Russia is only willing to sign any agreement of the sale which takes the form of another "Navigation Agreement" of September 4, which, as stated above, could not be taken as the signing of an agreement between Russia and Manchukuo; nor to indicate a *de facto* recognition of Manchukuo by Russia. In disposing off the C.E.R. in exchange for peace to go on with her internal constructive works, Russia has also to care about the friendly feeling between China and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herself. By the necessity of the situation, Russia may deem it advisable for her to dispose of the C.E.R. But the way by which the C.E.R. is sold is certainly such that on one hand it would save her from a critical situation; and on the other, it would not give rise to the interpretation of a *de facto* recognition of Manchukuo by Russia; and at the same time it would not impair the Sino-Russian-relations.

Food for Thought for Moscow

No matter what is in the mind of Russia, she should realize that the sale of the C.E.R. would not settle the Russo-Japanese crisis. Being discontented people, and being quite determined to declare her hegemony in Asia, Japan is sure to seek for further concessions from Russia. After the sale of the C.E.R., the Japanese official circles have already imtimated that it is the intention of Japan that "Russia, Manchukuo and Japan should form one Joint Committee and should agree upon a demilitarized zone," which, of course, it is intended to hit Russia, and to disable her from putting up any resistance against the Japanese military action in North China or in Inner Mongolia. Japan would present many more demands to Russia. Japan's sole desire is to drive Russia as far back as possible. The sale of the C.E.R. does not in any way indicate a change of the Japanese "anti-Russian policy." The Japanese want peace now merely because of the unfavorable international situation.

China at Fault Also

So, after all, we can come to a conclusion that in fact the sale of the C.E.R. is not a victory to either Russian or Japanese diplomacy; it is only a very "short-sighted" policy of the Moscow Government; and it is only another failure of Tokyo diplomacy in seeking to gain the recognition of Manchukuo through diplomacy. But fundamentally, China is also to be blamed. So far, she has proved quite incapable to cope with the present situation, and it is evident she adopted a wrong policy in appealing to Tokyo for settlement of the situation, rather than to Moscow for "cooperation." And Russia is also at fault in adopting such a "zig zag" policy in dealing with the situation, instead of coming to Nanking straightforwardly for co-operation for the maintenance of peace in the Far East.

Nanking, November 11, 1934.

New Chinese Ruling on Foreign Wives Does Not Apply to American Women

A ruling regarding the nationality of forcign women marrying Chinese husbands was adopted at a meeting convened by the Judicial Yuan Nov. 11 to render uniform the interpretation of the laws and ordinances. According to Art. 2 of the Law of Nationality, any foreign woman marrying a Chinese becomes ipso facto a Chinese citizen, provided that the laws of her own country do not provide for her to retain her original nationaly—as, for instance, the American law provides. According to the ruling, therefore, all she has to do is to register with the Chinese Government through the Ministry of Interior. Before registration, however, the ruling points out, she is already a Chinese citizen by virtue of her marriage. She need not apply to the Ministry of Interior for citizenship, but for registration of her Chinese citizenship which she has already acquired.

Country Fair Held at the Shanghai "U"

The annual Country Fair of the University of Shanghai was held on Dr. Sun's birthday, November 12. In addition to exhibition of educational films and health charts, farm products and implements were displayed. One of the special features this year were field sports for farmers and their children. The Rural Service League, (Wu Peh-hsun, chairman, and the Rev. C. H. Wong, executive secretary) were in charge of the program.

Chinese Mission to Nepal

BY JENKINS LEE

THE revival of Sino-Nepal relations since the National Government sent its first mission to Nepal is responsible for the close and intimate relations between the Kingdom of Nepal and the Republic of China. With a view to cementing the existing relationship between these two countries, the National Government of China sent a special mission to Nepal for the exclusive purpose of conferring honors upon the late Prime Minister, Bhim Shum Shere Jung Bahadur Rana in 1931, a brief account of which appeared in a previous issue of *The Review* in the early part of 1931. Unfortunately, Bhim Shum Shere died in 1932 at the age of 69. According to the order of succession, his younger brother, Judha Shum Shere, succeeded to the post of Prime Minister. As an expression of good will of the National Government towards Nepal under its new Ruler, a special mission was sent to Nepal in the middle part of this year to present, on behalf of the National Government, the insignia of Pao-ting decoration and Luh Chuan San Chiang Hsien (highest rank of general in the Chinese army) to Judha Shum Shere, the present Prime Minister and de factor Ruler of Nepal today. The personnel of the recent mission to Nepal were: C. P. Liang, the Chinese Consul General at Calcutta, and D. J. Lee, the Vice Consul. The party left Calcutta for Nepal by the end of May and reached Kathmandu, the capital of Nepal, the 2nd of June.

From left to right: **C. P. Liang, Chinese Consul General at Calcutta; Judha Shum Shere, the Prime Minister of Nepal; and the Vice Consul for China, D. J. Lee.**

Picturesque Ceremony

The investiture took place on June 6 in the presence of the Nobility of Nepal and the leading civil and military officers of the Government. Among the guests present were the British Minister and the members of the British Legation. In spite of the fact that Nepal had suffered an unprecedented earthquake only a couple of months before the arrival of the Chinese mission, the ceremony—which took place in a tent specially arranged for the purpose (instead of the Palace which was badly damaged by earthquake,) was as picturesque and imposing as if it had taken place in a Palace. Thousands of spectators lined the main streets. It seemed that every one of them wanted to share the joy of his beloved Ruler in receiving honors from a country which the Nepalese have always held in highest esteem. A salute of 21 guns was fired when the Chinese mission left the Government Guest House. On their arrival at the tent in state-carriage escorted by the Prime Minister's mounted body-guards, the royal band played the Chinese National Anthem, while soldiers presented arms. A short speech was delivered by the Chinese Consul General in Chinese as well as in English following which the Prime Minister was decorated with the orders of Pao-ting Hsun Chiang (寶鼎勳章) and the title of Luh Chun San Chiang Hsien (陸軍上將銜). The Prime Minister, in reply, expressed his deep appreciation of the good will of the National Government in presenting to him such high honors. Before the conclusion of the ceremony, the Commander-in-Chief, Padma Shum Shere, gave a short speech congratulating the Prime Minister on behalf of the officials of the Government and the people in Nepal. When the Chinese mission was leaving the tent the royal band struck up, while a salute of 21 guns was fired in honor of the Republic of China.

Reciprocating Gesture of the Nepal Government

In reciprocating the honors of the National Government of China, another investiture was performed the next day in presenting the insignia of honorary Pradipta Manyabar (Bright Star of Nepal) to the Chinese Consul General, and the insignia of honorary Pravala Gorkha Dakshina Bahu (the Right Hand of Mighty Gorkhas) to the Vice Consul. These honors were presented in the name of the sovereign after the party had been introduced to the King in the presence of a large gathering of princes and nobles.

Nepal Under the Present Ruler, Judha Shum Shere

Nepal is fortunate in having a Ruler in the person of Judha Shum Shere who is not only a capable administrator and far-sighted statesman, but in him one always finds a sincere friend, sympathetic and kind-hearted. Though he has succeeded to the post of Prime Minister only a little over a year ago, what he has done for the Kingdom of Nepal and its people will ever remain in the history of Nepal as an epoch making period. To mention a few, a Nepalese mission headed by Commanding General Bahadur Shum Shere was sent to London to present, on behalf of the Prime Minister of Nepal, the insignia of a newly created Nepalese Order to the King of England in the early part of this year. Having discharged the duty in London, the mission proceeded to Italy where the same Order was presented to the King of Italy. Recently a Nepalese Legation has been established in London, while Commanding General Bahadur Shum Shere becomes the minister, the only and the first Nepalese minister in a foreign country. After the establishment of a Nepalese Legation in London, the British Envoy in Nepal has been raised to the rank of Minister Plenipotentiary by order of the British Government. This is by no means unimportant since it has raised the status of Nepal in the family of nations.

In the early part of this year Nepal suffered an unprecedented earthquake as a result of which there was not a single building which was not badly damaged, and relics, which were considered invaluable in the eyes of arceaologists, were totally demolished. Thousands of people lost their lives and thousands of them were rendered homeless. The Prime Minister lost no time in doing everything humanly possible to relieve the victims of the earthquake. He subscribed half a million of rupees from his private purse for the

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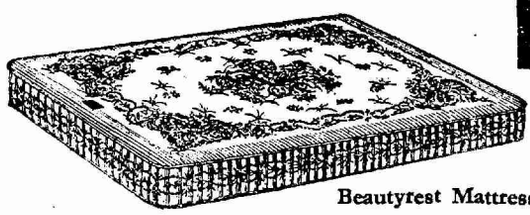

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relief work, which is now in full swing. Nepal could not expect to have a more generous Ruler.

Prospects of Establishing a Nepalese Legation at Nanking

It is the opinion of the Prime Minister that the position of Nepal is rather secluded, having very little to do with the outside world. Whether Nepal could be benefited from having a Legation in a foreign country or not remains to be seen. So the establishment of a Nepalese Legation in London is considered an "experiment." "Should a legation be considered necessary," said the Prime Minister during the course of an informal conversation, "a second legation would be established in Nanking." The writer is of the opinion that if, however, the Chinese Government take the initiative step of establishing a Chinese Legation in Nepal, the Nepalese Government will not hesitate to reciprocate the gesture by establishing a Nepalese Legation in Nanking without waiting for the result of the "experiment" of their London Legation.

Tibet, After the Death of Dalai Lama

Owing to the delicate situation of Tibet, a few words may not be out of place here in regard to her internal political situation. After the death of Dalai Lama, the Spiritual Ruler of Tibet, the policy of the Tibetan Governmnet has been changed in favor of the Chinese Government. The Chinese mission to Tibet headed by General Hwaung Mao Sung is now receiving a whole-hearted welcome from the Tibetan people in general and the Tibetan Government in particular. This is sufficient proof of the probability for the Chinese Government to regain its influence in Tibet. With Chinese influence in Tibet, the relations between Nepal and China will be more important. Under the circumstances, it is high time for the Chinese Government to officially approach the Nepalese Government for an exchange of diplomatic officials—which will prove of great benefit to both parties.

Calcutta, October 6, 1834.

Bias Bay Pirates Hold Up China Merchants' Vessel "Kaho"

The China Merchants Steam Navigation Company's vessel *Kaho* was pirated 60 miles from Hongkong Nov. 4, and taken to the vicinity of Bias Bay. Three of the crew were captured.

A sum of of $300,000 in cash shipped from Shanghai to Amoy by the National Industrial Bank of China to its branch bank in Fukien was the reason for the pirate attack. The pirates failed to get the money because they boarded the ship after the cash had been unloaded at Amoy.

Japans Trade Expansion

The Oct. 10 issue of *Foreign Policy Reports* is devoted to a discussion by T. A. Bisson on "Japan's Trade Expansion"

Mr. Bission says: "Japan's trade expansion has undoubtedly exerted an adverse effect on certain special industries in other countries which come into ditect competition with Japanese export manufacturers. In extreme cases, the struggle has been so severe as to result in the partial or complete shutdown of the business of Japan's foreign competitor, throwing numbers of men out of work. On the other hand, whole populations—particularly in colonial areas—have been enabled to buy cheap goods which they might otherwise have lacked during years of dire economic stringency. Furthermore, for many Western exporters the rapid growth of Japan's imports—from 1,235 million yen in 1931 to 1,917 million yen in 1933—has opened up an important market for the sale of either raw materials or maunfactured products. Under these circumstances, it is obvious that the expansion of Japan's foreign trade, far from being a menace, represents a distinct gain for the world as a whole."

Yale in China School of Science Receives More Grants

The Yale-in-China School of Science has received two grants for the year 1934-1935, one of $11,000 from the National Government and one of $9,000 from the China Foundation, both for Science equipment. The National Government has granted to the Medical School $35,000. The Medical School has also received $20,000 from the China Foundation for equipment and books, and $4,000 from the Rockefeller Foundation for hospital laboratory equipment. It was was reported that nearly $10,000 had been raised by the Yale Club of Shanghai in their $50,000 campaign among Yale men and friends in China to endow a chair in the Yale-in-China School of Science.

Severe Defeat for British Conservatives in Municipal Elections

The tremendous landslide in favor of the Labor Party in the municipal elections became known Nov. 3 with the final returns showing that the Laborites had gained 770 seats and lost only 29. The Conservatives won 41 and lost 635 seats, the Liberals gained 14 and lost 71, the Independents including the Progressives and others were unchanged. There were 62 Communist candidates, but one and all of them were rejected by the voters.

70-449

A Lieutenant-Colonel Relates His Experiences in Japan

A Lieut.-Colonel, evidently of the British Army, relates in the "Japan Chronicle" his experiences while touring Japan during last summer. His narrative was brought forth by a previous editorial in the Chronicle on "Japan and the Tourist," which the Lieut.-Colonel said might lead readers to assume that the editor was ignorant of the "molestation which awaits the most law-biding innocent tourist who dares to venture from the stereotyped tourist itinerary." The Lieut.-Colonel's narrative follows:

MY wife and I toured from Tokyo to Kamaguchi and back, visiting the district of Mikimoto's pearl farms en route. From the Grand Shrine of Ise, on July 27th we went over the Tsurugi Pass, due south.

At the top of the pass we stopped to admire the glorious view and partook of our frugal luncheon. On reaching Hohara at the southern foot of the pass we were arrested, taken into the police-station and detained for three hours. I was ordered to unload every piece of luggage from the car. Our bag and suitcase were then minutely searched by the police, every single item and document being closely scrutinised including my wife's most intimate hygienic requirements. We were also exhaustively cross-examined. When we were released, after three hours, it was then too late to proceed.

We were compelled to stay at the local inn in close proximity to the police. As the nearest fortifide zone is more than 100 miles away and as we had no camera or contraband articles with us we have no idea what aroused the suspicions of the police.

On the 12th August we reached Hamada. Here a plain-clothes policeman visited us at our inn and cross-examined us for about forty minutes. On leaving the inn we had to go to a vulcanising shop.

Whilst waiting for two tubes to be repaired plain-clothes policeman spent about half an hour inquiring our itinerary, etc.

The same evening at Tuda Onsen, near Yamaguchi, another plain-clothes policeman made similar inquiries as soon as our car had pulled up at the inn.

On 15th August, at Hagi, north of Yamaguchi, whilst resting on a seat outside an ice-cream shop, four policemen in uniform rapidly approached and surrounded us, ordered us to leave our car in the road and compelled us to enter a police car. When I spoke to my wife in this car we were severely ordered to observe silence.

On arrival at the Hagi Police Station we were marched into separate rooms and separately cross-examined. After about an hour and a half we were reunited and shortly after dismissed without a word of explanation as to why we had been arrested.

On the same day, on arrival at Yamaguchi, at 4 p.m., we were again arrested and ordered to drive to the police station by following a policeman in uniform on a bicycle. At the police station we were again placed in separate rooms. My wife was cross examined. I was not. I was meanwhile ordered to unload my car, a very laborious task as it contained 4 articles of luggage averaging 40lbs each and the weather was extremely hot, I was ordered to take the luggage upstairs.

A policeman watched me and assisted me. I was then ordered to go down stairs again. During this period, apparently, our suitcases had been thoroughly rifled and closed again, although, later on, I was requested to open them. We were then cross-examined together. The manner of the officer who cross-examined my wife in my presence was so brutal that my wife broke down and sobbed for nearly an hour. She was ill and shaken for several days after.

We were detained in the Yamaguchi Police Station for nearly 3 hours. The officer above referred to occupied the latter half hour reading to me the regulations for motorists in Japanese regardless of the fact, as I pointed out to him, that my driving licence was granted to me only after a stiff examination on the motor regulations. We were then dismissed without any explanation or apology.

Two days later, August 17th, we were stopped on the road two miles east of Tokuyama by mechanical trouble. Almost immediately a policeman on a bicycle came along, examined us for about 20 minutes and forbade us to move away from the spot until he returned. He returned about half an hour later together with a plain-clothes officer. The latter again examined us for about 15 minutes and hearing that we were obliged to return to Tokuyama for repairs permitted us to do so.

We stayed at the Matsusaya Hotel at Tokuyama. There we were visited twice by one policeman and once by another policeman, Each of these interviews lasted about one hour. It was from them, however, that we gathered vaguely that a foreigner with a Japanese lady in a green dress had passed through Tokuyama in a small motorcar with a Hyogo number, had been ordered to stop by the police but had refused to do so and had driven on. We believe this occurred on August 14th or 15th, but the police were very reticent about it.

That accounts for their making exhaustive inquiries about us, but as my motor-licence, the number plate on my car and my registration papers showed clearly that I was an inhabitant of Aomori-ken it does not justify the police in detaining every foreign motor tourist for the very long periods that they detained us, nor for treating us as guilty parties as they did, by their manner, at Yamaguchi.

Under such treatment motor touring becomes purgatory instead of pleasure.

We did not succeed in finding out why we were arrested and our luggage searched near the Mikimoto Pearl farm in Wakayamaken.

Perhaps Gokashohara Bay has suddenly risen to a position of strategical importance, but that is merely surmise.

On my return to Tokyo I reported all this to the Board of Tourist Industries, who not only expressed themselves powerless to rectify this state of affairs but mentioned that when they wrote in protest to the Governors of Prefectures on such matters they often did not receive even the courtesy of an answer to their letter.

Are the Philippines Becoming "Japan Conscious"?

How Japan-conscious the Philippines have become with independence from the United States in prospect was made evident (according to a recent *Rengo* message from Manila) when a University of the Philippines law professor recently set forth the view that the future of the Islands lies with its powerful Oriental neighbor to the north.

The professor, Dr. Pio Duran, who is attorney for several Japanese concerns in Manila, wrote a series of articles published in the *Tokyo Nichi Nichi* and the *Osaka Mainichi* urging an eventual protective alliance by the Philippines with Japan.

The reaction in Manila was a vocal storm of dissent from Filipino leaders, but with a minority expressing sympathy with Duran's views, or at least resignation.

Senator Claro M. Keete, president of the constitutional convention drawing up the charter for the 10 year commonwealth government to precede complete independence warned the Rotary Club of the "real danger" from Asiatic Monoreism.

Suppose Japan should annex the Philippines?—"that would simply mean that we would be citizens of the most powerful empire in the Orient or perhaps in the world" Prof. Duran told Filipino reporters when his articles were questioned in Manila.

"I would not wish to witness the coming of that day" was the comment of Resident Commissioner, Pedro Guevare, a member of the constitutional convention.

Earlier, there was a journalistic furore over the suggestion of the Japanese Consul General for the Philippines Atsushi Kimura, that a "free trade" arrangement be made with Japan instead of the United States.

Almost simultaneously Japan made representations at Washington against a pending proposal to increase insular tariffs and this move was widely believed in Manila to have been a factor in the subsequent shelving of that plan until the commonwealth is established, probably next year.

Professor Duran asserted the Philippines will have to choose between two contending forces, which he thus described:—

"On the one hand, we hear the thundering voice of Nippon, mightiest of all Oriental nation proclaiming to the world its 'hands-off' policy toward China and advocating 'Monroeism' in the Far East under its leadership, and raising the battle cry, 'Asia for the Asiatics.'

"On the other side, we see the strong combination of money-mad, greedy and intriguing Oriental powers. . . . in the face of these facts, no other sound recourse is open to the Filipinos than to side with their Japanese brothers of the north and help them preserve Asia for the Asiatics."

He minimized the benevolence of American administration of the Philippines since the Spanish-American War, saying this policy has been the "exploitation of the Philippines market for the benefit of American manufacturers at the expense of the Filippines."

The *Philippine Magazine*, calling Duran's views "amazing" and grotesque," rejoined with figures to show that the balance of trade has been so heavily in favor of the Islands that the Philippines actually have "exploited" the United States.

Benefit Concert in Sage Chapel at Nanking

A benefit (social service) concert was given in Sage Chapel, University of Nanking, on the night of Nov. 9, under the auspices of the University of Nanking Christian Association and the Ginling College Y.W.C.A. Vocal solos by Yang Chia-ren, a student at the University, a violin trio (Haydn's Sixth Symphony), violin solos by Miss Li Djen Yee, a vocal solo by Frau Wilck with accompaniment by Frau Spemann at the piano, and a violin obligato by Wu Tsi-tsai; and an American quartet, were among the selections in an excellent program.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

Down Trains										Up Trains							
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS		302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep.	Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,,	Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,,	Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,,	Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr.	Tientsin East -	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep.	,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,,	Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,,	Lu-tai - - - -	,,		5.26	11.41	13.48	17.43	4.08		
12.52		14.42		20.11		3.32	16.39	,,	Tang-shan - -	,,		4.15	10.30	12.50	16.37	2.58		
13.39		15.17		20.47		4.20	17.14	,,	Ku-yeh - - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,,	Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,,	Chang-li- - - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,,	Pei-tai-ho - - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,,	Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr.	Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep.	,,	arr.						21.26		
		16.25						arr.	Shenyang (Mukden)	dep.						10.15		
	FOR SHANGHAI		FOR PUKOW								FROM SHANGHAI						FROM PUKOW	

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934.

BY ORDER.

Japanese Judge Prays Each Day for Help in Deciding Plot Verdict

The *Nichi Nichi* Nov. 6. stated that Judge Fujii, presiding in the trial of 14 members of the Blood Brotherhood on charges of plotting assassinations in attempt to change the present system of Government, prays daily for guidance at the Meiji Shrine as the time nears for him to render judgment. Sentence is to be announced about November 20.

Two Civilians in Inukai Murder Freed on Bail

Shumei Okawa anu Shuzo Toyama who were sentenced recently respectively to seven and four years' imprisonment in connection with the May 15 incident were released on bail from Ichigaya Prisoo Nov. 12. Okawa will visit his mother who is ill, while Toyama will call on his father, Mitsuru Toyama, chief of the Amur Society, one of the most powerful nationalistic associations. The May 15 Incident culminiated in the murder of Premier Inukai by several army and navy cadets who were aided by Okawa and Toyama, civilians.

Administrative Organs in Manchuria Will Form Subject of Diet Debate

The alleged breakdown in the morale and discipline of the officials in the Kwantung Leased Territory Administration resulting from the Government plan to reorganize various Japanese administrattve organs in Manchurian and the publication on October 2 of a political pamphlet by the Press Section of the War Office loom as major obstacles in the path of the Cabinet in the extraordinary session of the Diet convened for November 27, as far as the House of Peers is concerned. This was the result of a canvass of opinion made by *Rengo* among members of the Upper House of the Japanese Parliament. The proposed imposition of a special profit tax will not be cause for as much debate as it probably will in the House of Representatives, most interviewed Upper House members stated.

Japanese Balance of Trade Favorable

Japan's foreign trade during the first ten days of November continued to result in a favorable trade balance amounting to Yen 6,383,000 with exports totalling at Yen 56,904,000 and imports at Yen 50,021,000, according to figures released by the Ministry of Finance on Tokyo, Nov. 10.

Japanese Army Holds Maneuvers

The Thirty-Second Grand Army maneuvers began before dawn Nov. 11 in the Saitama, Tochigi and Gumma Prefectures. Emperor Hirohito accompanied by Court Makino, Keeper of the Privy Seal, and other members of the Household Ministry were present. The "Eastern" Army commanded by Gen. Nobuyuki Abe, fought against the "Western" Army under command of Gen. S. Araki, his former classmate, former Minister of War.

New Japanese Cruiser to Be Launched Nov. 20

The second-class cruiser *Suzuya*, which was laid down last at the Yokosuka dockyard, will be launched on November 20 in the presence of the Emperor.

New Japanese Minister to England to Be Appointed

Reports from Tokyo indicate that Kenkichi Yoshizawa, a former Minister in China, and the leading Japanese delegate at the time of the discussions on the Manchurian incident is to be appointed Japanese ambassador to Britain, in succession to Tsuneo Matsudaira, who will return to Japan next month.

Rayon and Steel Will Be Hit by Business Tax

Rayon and steel industries will be hit hardest by the new tax on "emergency profits" proposed by the Finance Ministry to cover a part of the deficit in the 1935-36 budget, acording to a review made by the Mitsubishi Economic Research Institute.

The tax will be imposed on the difference between the profits in 1930-1 and the current year. On this basis the rayon industry leads this list with 10.9 per cent followed by steel with 7.5 per cents, metal 6.5 per cent, woolen weaving 6.7 per cent, chemical 4.6 per cent and flour 5 per cent. The total number of industries affected equals twenty. The uncertainty caused by the announcement of the new tax led to the fall in stock values on the Stock Exchange, precipitating a near crisis.

Fifty Million Yen Loan Granted to Stabilize Tokyo Mart

The Industrial Bank of Japan has agreed to loan Yen 50,000,000 to the Tokyo Stock Exchange as a stabilizing fund to cope with the continuous decline in share quotations following the government's announcement that it planned to levy an emergency profit tax, *Rengo* learned Nov. 13. This loan will afford only temporary relief, financial leaders stated. They pointed out that the loan, negotiated to expire at the latest by March 1, would place the exchange in a difficult position if prices should break again on its expiration.

Rivalry Between Italy and Japan

BY T'IEN-TSE CHANG, PH.D. (Leyden)*

AT a time of serious economic depression when disintegrating forces are at work, it is gratifying to see China and Italy, oldest seats of two great civilizations, strengthening their friendly relations. This, as is expressed in the raising of each other's diplomatic representatives to the status of ambassadors, and in other respects can but have a sound influence on a world of rivalry and suspicion.

What has actuated Signor Mussolini to seek the friendship of the Far Eastern republic? It need not be doubted that Il Duce, keenly interested in the promotion of culture, as is shown in excavations of ancient Roman forums and palaces under his regime, has sincerely desired to strengthen the cultural ties between his country and China. But we would fail to recognise the keen realism of this realistic statesman, should we overlook his economic motive.

China is, in the eyes of the Italian Leader, an important field offered to the economic expansion of his countrymen. In this continent of four million inhabitants, he has seen the possibility of securing profitable markets for Italian industry. The time is particularly propitious. China is just undertaking the task of economic reconstruction. Italy, like the United States, Germany and England, may aspire to a share in it. This will be one of the means to mitigate the suffering of the Italian nation, hard hit as it is by the depression.

The speech made by Il Duce at the end of 1933 in the Congress of Asiatic Students, held in Rome, has thrown more light than ever before on the policy of the Fascists towards the Far East. It looks to a close collaboration between Rome and the East and it aims at a generous effort to synthesize the two.

What remains to be done is to translate this program into action. But here obstacles are by no means lacking. The most dangerous of all is the Japanese attitude. It is very noteworthy that, at Congress, no Japanese student stood up to thank the Italian Premier for his speech as did those of other nationalities. Having taken notice of the Japanese silence, the *Tribuna* of the next day attributed it to "a feeling of indifference. They have taken part in the Congress, we can well say, only as observers".

Have Characteristics in Common

Japan is, therefore, a serious obstacle to Italian policy in the Far East. But at first sight, Italy and Japan present a number of characteristics in common with each other.

Both of them are peninsular and insular countries where maritime vocations are important. They have similar social and economic problems. Over-population creates in Italy as well as in Japan a difficult situation. Despite the efforts of their governments to place agriculture on a sounder basis, both countries are hardly able to nourish their surplus populations. Both of them try to export labor into a world where the depression closes the door to immigration. Both suffer from lack of capital, and their respective financial structures appear to be unstable in both countries, the creation of big industries has met with natural difficulties which are difficult to surmount: insufficiency or lack of coal, scarcity or bad quality of iron, both of which are essential in building up a metallurgy on a large scale.

Only the transformation industry can prosper. The main industries in Italy are the fine arts, textiles, automobiles, foodstuffs, etc. In Japan they are paper-making, automobiles, textiles, electric materials, toys and the like.

Such identity of industrial activities, instead of creating two mutually complementary economies, only serves to further the cause of rivalry and conflict between them.

Italy, producer of artificial silk and cotton yarn, finds her products outsold by Japanese cotton-goods, while her automobile industry has great difficulty in competing with that of the Japanese. In Rhodes, Japanese automobiles are sold at the unbelievable price of 4,000 lira, and bicycles at 40 lira. We can easily imagine the effects of such cut-throat competition on a country already hard hit by the world-wide economic depression.

Japanese Influence in Abyssinia

The rivalry between Italy and Japan also gives expression in the desire of both to extend their influence in Abyssinia. For several decades, Italy, with the consent of England and France has tried to make this Ethiopian country her sphere of influence. Recently, however, the government of the Mikado succeeded in inducing the Negus to conclude a treaty with them which places the exploitation of the natural resources of Abyssinia at the direction of a Japanese staff. An experiment is being carried on with a view to introducing large-scale cotton cultivation in the country. If it succeeds, the vast uncultivated area there will be turned into productive lands, and Japan will no longer depend upon the United States and Egypt for cotton. The Italians are thus losing ground in Abyssinia in face of an extension of Japanese influence.

Il Duce, with his characteristic realism, could not have failed to realize this grave situation. His thoughts have been repeatedly expressed in speeches and articles which echo both inside and outside Italy. In an article of January 14 of this year, in the *Peoplo d'Italia*, Signor Mussolini denounced the "dynamic imperialism" of Tokio, and the prospect of a Sino-Japanese agreement which will be directed against both Europe and America. He further describes the seriousness of the Japanese invasion of markets all over the world.

But what policy can the Italian Premier adopt which may be an effective check to the growing Japanese menace? An organized European economy will of course do much to prevent Japanese dumping in world markets. But by strengthening friendship with an Asiatic power like China, Signor Mussolini is not only building up a front against Tokio's imperialism, but also opening up new vistas of economic possibilities for his country.

*The writer is one of the editors at the Commercial Press, Shanghai, and is the author of a book entitled "Sino-Portuguese Trade." He speaks the Dutch, French, German, Spanish and Portuguese languages, in addition, of course, to Chinese and English. He was a Research Fellow at Harvard (Economic Department,) 1932-3,—and has studied at the Sorbonne at Paris, at Heidelberg in Germany and at Leyden University, Holland.

American Explorer Makes Movies of Siberian Tribes

Julian Bryan, the first American to take movies in Siberia, left Moscow for New York Oct. 22, after an adventurous journey among strange tribes in remote regions of the Soviet Union.

One of the most interesting tribes he visited, said Mr. Bryan, were the Tungus, who migrated from Manchuria, to Northern Siberia 1,000 years ago and live to this day much like the American Indians. They live in wigwams, traverse lakes and rivers in birch-bark canoes or dugouts and have implicit faith in medicine men who exorcise evil spirits with drums.

They live on reindeer milk, which there is as rich as Devonshire cream; meat and little else. Their favorite dish, which they presented to Mr. Bryan, is the upper lip of a moose.

Primitive as their life is, the Soviet has succeeded in collectivizing them and their reindeer. They are great huntsmen, but they hunt according to the second Five-Year Plan, each "worker" having his quota of wild goats, moose, elk, bear and smaller game to bag.

They are a jolly, light-hearted people. Mr. Bryan was the first foreigner they had ever seen, he said. They had never heard of America, and when he told them of it they thought it must be an especially desirable district near Irkutsk.

Mr. Bryan also visited Olhon Island in Lake Baikal, where he found the former leper colony had been transformed into one of the biggest fishing communities in the Soviet Union, with 3,000 fishermen, all collectivized. The lepers had been moved to a hospital near Irkutsk.

In the Buryat Mongolian Republic Mr. Bryan said he found Mongolian nomads, who had never known any occupation but cattleraising, being turned into farmers, one district having sixty collectives tilling 100,000 acres of wheat on former pasture land.

The Buddhist religion there is going the same way the Orthodox church has gone in Western Russia. The people no longer are going to the temples, he said. A monastery which five years ago had 400 monks now has only five.

Twenty Pirates Killed, One Boat Sunk in Battle Off Ningpo

Twenty pirates were killed, seven more were arrested, and one officer was wounded during a gun battle on Sunday Nov. 11 near Ningpo between pirates and a Chinese fishing-protection cruiser from Shanghai. One of the three junks manned by the pirates was sunk and the arrested pirates were brought to Shanghai by the cruiser. The cruiser was recently sent out from the Fishing Industry Protection Bureau of the Ministry of Industry in Woosung in order to protect fishing people along the Chekiang Coast. While on patrol duty, she met three junks. Captain Liang ordered them to stop for a search, but instead of obeying the order, the pirates opened fire from their boats. A battle then ensued, the buccaneers offering strong resistance. The officers on board the cruiser soon got the upper hand, and as a result, more than 20 pirates were killed and seven were arrested.

Japanese Wants to Divorce His Wife Because She Can't Talk

Naoji Ugai, a masseur in Nakano Ward, has informed the Tokyo police that he intends to start divorce proceedings because he has learned that the girl he married, although pretty, is a deaf mute. He said he would like some sort of legal steps also against the go-between who arranged the marriage and who, Mr. Ugai said, deceived him as to the bride's infirmities.

New Manchukuo Tariff Clinches Japanese Preference

The second revised tariff schedule of Manchukuo was put into effect from Nov. 15. The most notable feature is the reduction of duties on cotton yarn and piece goods—mostly imported from Japan. The rates generally discriminate in favor of wares mostly supplied from Japan.

Manchukuo Industrial Society Makes Complaint to General Hishikari

Uncertainty regarding the Manchukuo Government's future policies regarding taxation, customs tariffs and currency control are stifling Manchukuo's industrial development, the Manchukuo Industrial Society with headquarters in Mukden, complained in a lengthy statement recently addressed to Gen. Hishikari. The complaint pointed out that, of 63 factory sites leased in Mukden in September, sixteen leaseholds were cancelled in October. The fact that industries can operate free from taxation in the Kwantung Leased Territory, whereas they will be taxed in Manchukuo is held to be another deterrent.

[The above is the story as related by *Rengo* in a dispatch from Changchun. Non-Japanese readers should, however, not be misled. The Industrial Society was merely making a gesture to hasten the imposition of the new Manchukuo Customs tariff, which is carefully drawn up to reduce rates on goods mostly imported from Japan and to increase them on goods which have to be imported from other countries.—Ed. *C. W. R.*]

S.M.R. to Produce Liquid Coal

The South Manchuria Railway Company is making preparations for the production of liquid coal on a commercial basis. The South Manchuria Railway Company is also contemplating, it is reported, the extension of production of soda ash and refined salt.

Huge Lumber Resources of Manchuria

Manchukuo's lumber resources total seven billion cubic feet, according to Professor Miura of Tokyo Imperial University.

Armored Motor-Cars to Be Operated on Frozen Sungari This Winter

Armored motor-cars able to carry 15 or 16 soldiers will be operated by the Manchukuo River Defense Fleet on the ice of the Sungari during this winter.

Semi-Official Life Insurance Company Being Formed by Changchun

The Manchukuo Government is considering the organization of a semi-official life insurance company with joint Manchukuo-Japanese capital.

Japanese Want C.E.R. Wharf at Shanghai

The wharf in Shanghai belonging to the Chinese Eastern Railway Company is one of the matters in dispute between the Japanese and Soviet negotiators in connection with the final signing of the C.E.R. sale agreement. The Japanese also want all the C.E.R. hospitals, schools and other buildings supported by the Railway in Harbin. The Railway has been paying for the upkeep of the Soviet Consular premises in Harbin, but the Japanese are willing to allow the Soviets to keep possession of the Consulate premises, but nothing else.

C.E.R. Manager Alleges Further Violent Acts by Manchukuo Police

Although the reports from Tokyo intimate that final agreement on the C.E.R. purchase is imminent, the telegrams from Moscow state that the manager of the Chinese Eastern Railway, Mr. Rudy, continues to report on the arbitrary actions of railway police officials. Mr. Rudy alleges that, despite a series of requests on the part of railway administration to take steps to discontinue arbitrary and violent acts perpetrated by police officials against railway employees, the railway police administration does not take any actual steps in this respect. It is alleged that cases of arbitrariness and violence have lately become more frequent and even systematic.

Ex-Officer of Marshal Feng Is a Gunman's Victim at Tientsin

While Messrs. Chi Hung-chang, Jen Ying-chi, Liu Shou-hsiang, and another were playing mah-jong at a Chinese hotel in Tientsin on the night of Nov. 9, two gunmen entered the room and fired seven shots, killing Liu and wounding the others.

Mr. Chi was a former follower of Marshal Feng Yu-hsiang and commanded the Chinese troops in Kalgan during the Japanese invasion of Jehol. The gunmen made their escape after the outrage, which is believed to have been instigated by political motives.

"When I think of how timid my boys used to be"
"WHEN Ann told me that the neighbours thought my boys were anaemic I certainly was taken aback. Why, I had *always* taken good care of them. They had enough to eat...plenty of sleep...I couldn't believe it! Then I began watching them myself. The neighbors were not far wrong.
"EDWARD and JOHN kept to themselves—were backward—listless. I took them to the doctor. He told me they were not getting the right foods—to give them Quaker Oats every day. He said it would enrich their blood—give them vigour and energy—that *that* was what they needed.
"THE NEIGHBOURS can't gossip now. Quaker Oats certainly made a difference. My boys are two of the most robust, healthiest boys you ever saw. Father and I began eating Quaker Oats too. We both feel brighter—more active for it. Now, not a day goes by without a meal of Quaker Oats."

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The Sure Way to Court Disaster

BY C. Y. HSIEH (謝志耘)

THE conduct of China's diplomacy towards Japan has again reached a point where caution is not only politic but vital. More than once the Central Authorities have assured us that they would not change the fixed policy via-a-vis Japan, that they would not abandon the stand of resistance so long as the four Northeastern Provinces remain in alien hands, and that they would not embarrass the League of Nations by capitulating to the Japanese. These assurances were all to the good, had not the Government been engaged in undoing them step by step by proceedings of a dubious character.

From Tokyo have recently transpired some news which in spite of, or mainly because of, the fact that they have been given little or no prominence in Chinese newspapers, are highly significant. The "Japan Advertiser" carried in its October 29 issue a full-column front-page report on a meeting between General Chiang Tso-pin, the Chinese Minister in Tokyo, and Mr. Koki Hirota, the Japanese Foreign Minister. It stated that according to the Asahi and the Nichi Nichi, two leading Tokyo dailies, General Chiang called on Mr. Hirota on October 27. The conference then held, being the first between them for sometime, lasted for one hour and a half, as the result of which it was decided to launch a cultural attack on the problem of improving Sino-Japanese relations.

Japanese and Chinese Culture to Be Exchanged

In pursuance of this principle, Japanese and Chinese culture is to be exchanged, good treatment is to be assured Chinese students in Japan, and an organization of Chinese who once studied in Japan is to be formed for good-will purposes.

The Asahi emphasized the fact that the interview was opened by General Chiang Tso-pin's remark that Sino-Japanese relations have taken a turn for the better and that steps should be taken to hasten the improvement. Although the two diplomats agreed to hold frequent interviews in the future, Mr. Hirota said that Japan will not initiate a movement to end political problems because of the various anti-Japanese moves in China. Japan is ready to promote cultural relations and communications between the two countries, and Foreign Office authorities will render special service in that regard.

The Nichi Nichi, however, was more specific. It mentioned Hirota's suggestion that if China moves definitely for the improvement of relations, stopping all anti-Japanese actions, Japan will respond by such actions as the promotion of the Japanese Legation to an Embassy. At the same time it printed a dispatch from Shanghai which dwelt on the alleged struggle in matters of foreign policy between what it called the European-American faction, headed by Drs. Wang Chung-hui and Wellington Koo, and the pro-Japanese faction, and on the political upshot of this division in the form of contest of power between Messrs. Wang Ching-wei and Hu Han-min. It also recorded that while in Peiping General Chiang Kai-shek had decided to have an interview with Colonel K. Shibayama, the Japanese Military Attache, which interview was regarded as very important. Evidently, the purpose of its inserting these dispatches was to insinuate that recent developments in Tokyo are results of the ascendency of pro-Japanese elements in the direction of China's foreign policy.

Economic Rapprochement

If a verification of the new trend of things is necessary, it will be at hand when we shift our attention from the Japanese to the Chinese capital on October 30 *Rnego* sent from Shanghai a forecast of economic rapprochement. In this the possibility of definite improvement in Sino-Japanese economic relations was foreseen as it was reported that several meetings had been arranged between responsible officials in Nanking and leading Japanese industrialists of Shanghai. These industrialists, including Mr. Katsuji Uchida, director of the Toa Kogyo Kaisha, and Tatsuichiro Funatsu, director-general of Japanese Cotton Mill Owners' Association in China, had recently paid a visit to Nanking where they held conversations with such Chinese officials as Mr. Wang Ching-wei, President of the Executive Yuan, Dr. H. H. Kung and Messrs. Chu Chia-hua and Chen Kung-po, Ministers of Finance, of Communications and of Industries respectively. These meetings are especially notable in that they are the first ones between the Japanese industrialists and Chinese officials since the outbreak of the Shanghai hostilities more than two years ago.

A close scrutiny of these reports will bring several tendencies into bold relief. First of all, there is every indication that Nanking has been turning more and more to Tokyo for accommodation. The trend is quite understandable, but it is the most ill-advised. Ever since the early part of this year signs of an about-face orientation have not been lacking. The April 17 statement was the opening offensive from Tokyo to which Nanking's replies betrayed a timidity that would cost dear in the end. The immediate casualty of the offensive was Dr. L. Rajchman who, despite statements from both Nanking and Geneva to the contrary, was not to return to China after all. As another advance indication of what was to come, our leading diplomats in Europe had one after another left their posts for home so that when the 15th Assembly of the League of Nations was convened in Geneva, we were not prepared to fight the battle for re-election to the Council. The result was deplorable, yet the blame for it was plainly divided. We could have no valid claim against the League, especially as we did not so much as trouble ourselves to see that we had done our best to retain its confidence. It was, we are afraid, a case of our desertion of Geneva as much as Geneva's of us. In this sense Mr. Quo Tai-chi's statement that China's failure to win re-election should be regarded as much a loss to the League as to herself was ironically true.

"China on Probation"

Meanwhile, the revised tariff formed Nanking's bid for the good will of the Japanese, who reciprocated with a great show of generosity. Tokyo even saw it fit to put China on probation, promising to do her a lot of empty favors on condition of her continued good behavior. During all these months of huge Japanese exports to China, the general tone of the Foreign Office was naturally softer, though once in a while harsh notes were still sounded. Could it mean other than Hirota's satisfaction with the results of his "victory without war" policy?

Yet Nanking's course is also understandable. The line of least resistance is too tempting to resist. Disappointed by the League, Chinese leaders saw no other alternative but to go to Canossa once more. To expect them to do otherwise would be to ignore human nature. The fact could not have occurred to them that a third and the only reliable course lies in the consolidation of national power and resources for prolonged resistance. Nor, if recognized, could the course stand any chance of adoption, considering that responsible leaders have not got enough courage and honesty to face internal issues squarely. On the contrary, there is ample cause for fear that foreign relations have been allowed to exercise a preposterous influence on our domestic politics. This point we shall elaborate presently.

One of Japan's most sinister instruments for China's internal division since the Manchurian invasion has been the fiction of a contest in China between a European-American faction and a pro-Japanese faction over matters of foreign policy. There was no such contest previously for the simple reason that the alluded factions did not exist. But since the Manchurian incident there has been an unmistakable tendency on the part of Japanese to foster and encourage such division and contest with a view to exploiting them to full advantage. The result is most unfortunate. A group of Japan-trained politicians, claiming infallible authority on Japanese affairs, have risen to power and have openly prided themselves with the label of Japanphiles. It is easy for these men to play into the hands of the Japanese who thus began to assume political interest in their ascendency, as a prelude to further violation of China's administrative integrity. In this connection it may be mentioned that in the fall of Mr. T. V. Soong last spring the Japanese had scored a signal victory, which it would be idle not to admit.

Danger of Disintegrating Policy

The danger of this disintegrating policy was fully illustrated in the loss of Manchuria. That piece of territory was not lost to China on account of a steadfast anti-Japanese policy, but lost through a pro-Japanese policy carried too far to be saved by belated patriotism. It was the folly of Chang Tso-lin to have allowed the Japanese to extend their protective wing over Manchuria when he deemed it expedient in times of civil strife in which he was engaged, and to have thought that he could play them off with impunity. He realized too late that the price of quasialliance was out of all proportion to the assistance rendered. When the the showdown came, he soon fell a victim to his own strategy and a few years after his tragic end Manchuria could not but go the way of its betrayed destiny.

In this light the Japanese, by linking the contest between the two factions in China with recent developments in Tokyo, are evidently trying to insinuate that their proteges the pro-Japanese group have got the upper hand in the Central Government in Nanking. At present the object they seek is necessarily modest, being merely closer cultural and educational cooperation with China. But when the time comes for the thrashing of far-reaching political and economic issues, it is doubtful whether their instinct of "take all" and "give nothing" will stop at anything. If these so-called pro-Japanese gentlemen yield, the nation stands to lose. But if their elemental patriotism urges them to hold out, a situation of thwarted ambition and pretended outrage by ingratitude will be the fuse of fresh explosion.

The troubles with our foreign policy are that our Government leaders seem to see salvation in the alternative only of either a League or a pro-Japanese orientation, that they have permitted the exploitation of domestic politics by foreign relations, and that they fail to see that temporary accommodation with Japan, instead of bringing the desired breathing space for China, will further tighten Japan's stranglehold on our national life. These errors, if not rectified in time, will be the sure way to court disaster.

November 11, 1934.

Is Esthonia "Wobbling" on Manchurian Recognition?

The question was raised in the House of Commons in London Nov. 5 as to whether the British Government would make a representation to Esthonia that the provision regarding Manchukuo contained in the Japanese-Esthonian agreement is inconsistent with the League report of February 24, 1933, regarding non-recognition.

Sir John Simon, the British Foreign Secretary, replied that the question was primarily one for the advisory committee established by the Assembly.

It was recently reported form Dairen that Esthonia is opening a Consulate in said city.

Britain Refuses to Make General Statement on Loan Policy vis-a-vis Manchuria

In the House of Commons a Labor member requested an assurance that the Treasury would withhold sanction for any loan to Japan or Manchukuo in view of the failure of Japan to perform her obligations under the Covenant of the League of Nations. The Chancellor of the Exchequer refused to give a general assurance on the matter. He said that, if a loan to any foreign country were proposed, it would have to be considered on its merits.

British Notables Urge Recognition of Manchukuo

Sir John Fischer Williams, Associate of the Institute of International Law, in a recent letter to the London *Times* declared that it was questionable whether International law permitted the non-recognition of a new independent and civilized State. "We cannot litigate Manchukuo while continuing to deny its existence," he declared.

"How much longer must we pretend that Manchukuo does not exist?" asked Lord Newton in another letter. "The present attitude of the British Government embarrasses everyone and tends to retard stability in the Far East. It is impossible to deny that the action of the League of Nations has been a failure."

"What is now necessary," Lord Newton continued, "is a face-saving formula to enable the League of Nations to withdraw from this impossible situation, otherwise some Power more important than Salvador will break away and recognize Manchukuo, secure of an economic advantage and then the others will follow, as occurred in the case of the Soviet Government."

General Blucher Says Far Eastern Frontiers Are Closed Against Enemy

The Commander of the Far Eastern Red Army, Blucher, in a speech at Habarovsk on the occasion of 17th anniversary of the October Revolution, stated: "Together with the entire Soviet Union, the Far Eastern region has gained tremendous achievements. The recently completed inspection of Far Eastern army has demonstrated the high standard of its fighting preparedness. We have the right to state that the Soviet Far Eastern boundaries are tightly closed against any enemy."

Huge Crowds Celebrate October Revolution Anniversary

Tass reports that 1,750,000 persons participated in November 7 (October revolution) demonstration in Moscow, 1,600,000 in Leningrad, and 400,000 in Kiev.

Japan Places Contract for Soviet Pig Iron

The Japan Pig Iron Joint Marketing Co. has succeeded in concluding a contract with the Soviet commercial delegation in Tokyo for the purchase of 40,000 tons of Soviet pig iron. With the forthcoming import of this consignment, the consumption of pig iron in Japan for the current year will amount to 1,255,000 tons, showing an increase of 25 per cent over the quantity last year.

America Intends to Defend Philippines

The difficulty of defending the Philippine Islands in the event of a future war in the Pacific is understood to be among the strategical factors influencing the United States in its insistence upon maintenance of the naval ratio of 5-5-3 for the United States, Great Britain and Japan, respectively. Although conflicting views on the question are reported to be held in high government circles in Washington, it is understood that the United States will defend the Philippines against attack so long as the American flag flies over the islands. If this expected interpretation of the obligations of the United States under the act of Congress granting independence to the Philippines prevails, America must afford the islands protection from outside aggression for at least another decade. Policy subsequent to the final and complete withdrawal from the Philippines, it is understood, it awaiting development. It is the consensus of opinion amongst naval experts that the United States could successfully defend the Philippines only with a fleet strength such as would compensate the country for the absence of supporting bases and co-operation of large land forces.

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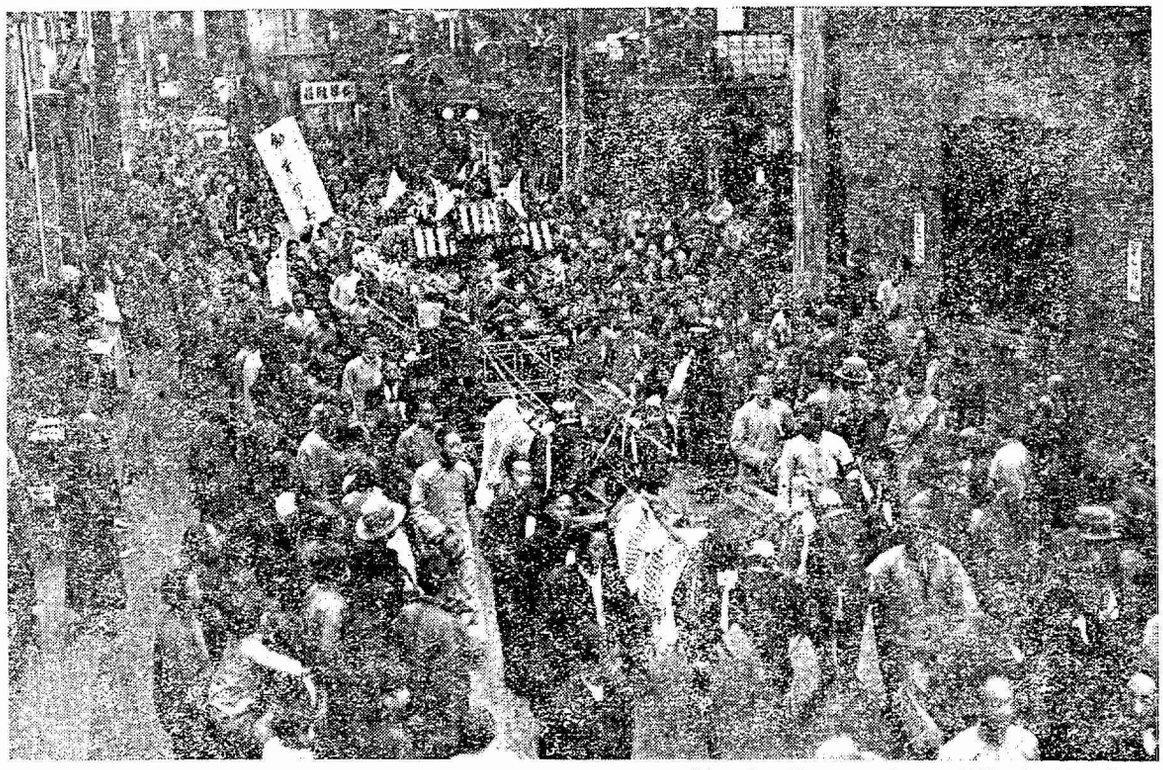
TENS OF THOUSANDS TAKE PART IN PATRIOTIC FUNERAL PROCESSION

The tense, though smouldering, feeling which the Chinese populace retains in connection with the aggressions in recent years by Japan on China was illustrated Sunday, November 11, when the funeral was held of the Chinese youth, Pan Hung-sen who figured prominently in the anti-Japanese boycott something over a year ago. As a member of the "Blood and Iron Corps for the Extermination of Traitors," Pang was the center of a bomb-throwing drama in Sinza road and his trial in the Chinese courts attracted intense interest in the Chinese community. His plea that he acted from patriotic motives was listened to in the lower courts but he eventually was sentenced by the higher court to a term of imprisonment. Recently his health had very much deteriorated and he was released, first going from prison to a hospital, and eventually to his home in Nantao. His release was ordered as the result of petitions from several influential Chinese associations. Death, however, supervened, and his funeral was made a special event by the Chinese community. Tens of thousands of persons took part in the funeral procession, which started in Nantao and ended up at the Soochow Residents Club in Li Yuan Road. Part of the procession passed through the International Settlement. The French Concession authorities barred its gates. The accompanying photo shows the procession passing through Nantao.



—Photo by Ah Fong—Courtesy "Shanghai Times"

American Ambassador to Russia Makes First Visit to China

William C. Bullitt, who was appointed by President Roosevelt as the first American Ambassador to Soviet Russia, is making his first visit to China. He arrived here Nov. 9 from Japan, where had spent about ten days after a trip eastward via Siberia. He is on his way to the United States on a holiday, and will incidentally take part in a conference of various American diplomats to be held in the near future at Washington, convened by President Roosevelt with a view to formulating plans for rehabilitating America's foreign commerce. During his stay in Shanghai Mr. Bullitt was the guest of Jean Monnett, 26 Route Ferguson, who is an old friend of Mr. Bullitt's. For the moment Mr. Bullitt is visiting North China. He will return to Shanghai in time to board the *s.s. President McKinley*, Nov. 27 bound for Seattle. During his stay here Mr. Bullitt was entertained by Edwin S. Cunningham, U.S. Consul General, T. V. Soong, head of the National Economic Council, Mayor Wu Teh-chen, and others.

—Courtesy "Shanghai Zaria"

WILLIAM C. BULLITT

Mr. Bullitt is descended from an old Philadelphia family, and speaks fluently, the French, German and Russian languages.

Huge Quantity of Opium Seized at Tungkwan

A large quantity of opium and other poisonous drugs weighing more than 7,000 ounces was discovered by the railway guards at the Tungkwan Station of the Lung-Hai Railway Nov. 12. Several railway officials suspected of being involved in the smuggling of the drugs have been placed under arrest and sent to Chengchow under armed escort.

Geneva Gets Reports on China Opium Monopoly

The general situation in China as regards opium and narcotics was considered at the nineteenth session of the Opium Advisory Committee at Geneva starting on November 15. The Chinese Government has communicated to the League of Nations a series of regulations which it has adopted virtually establishing an opium monopoly in the provinces of Hupeh, Honan, Anhwei, Kiangsi, Hunan, Fukien, Kansu, Chekiang, Shensi and Kiangsu. The regulations, which will provide for the suppression of opium within six years, are stated to mark desire on the part of China to suppress opium smoking, the clandestine manufacture of narcotics and the illicit traffic in high-power drugs. The Committee, it is stated, will also discuss the clandestine traffic from Manchukuo into North China, the closing down of clandestine drug factories in China, as well as in concessions, settlements and leased territors.

Robbers Maltreat Women Missionaries at Loyang

News was received last week of an attack by robbers on two foreign women missionaries in their home at Loyang on the night of October 30. After taking all the money they could find, the thieves are said to have bruised and injured one of the women, pulling her across the compound by her hair, presumably with the intention of carrying her off as a hostage. An alarm was raised and the marauders were compelled to release their captive, making a hasty retreat.

Admiral Woodward Urges America to Prepare for War

Because so many treaties have proved to be mere "scraps of paper," the United States must trust only its land and sea strength, Admiral Clark H. Woodward, acting Chief of Naval Operations, declared in Washington, Nov. 9. American unpreparedness for war is historic, the Admiral said, and, in these times of stress, it is incumbent that the country should be continually and properly prepared for national defence. The danger of hostilities breaking out exists in several places on three continents, he said, emphasizing the situation in Europe rather than the Far East.

STRATEGIC AIR DEFENSES FOR AMERICA ARE SUGGESTED

Establishment of a series of air defense bases at strategic points was proposed by Representative Wilcox, from Florida, at hearings before the Federal Aviation Commission in Washington, Nov. 1. He recommended establishment of three aerial bases on the Altantic Coast and an equal number on the Pacific Coast, with one base each in Panama, Puerto Rico, Hawaii and Alaska, with an estimated cost for each base of U.S.$10,000,000.

Kingsford-Smith Makes Rapid Flight from Honolulu to San Francisco

Sir Charles Kinsford-Smith and his co-pilot, Captain P. G. Taylor, landed at Oakland (San Francisco) Nov. 4, having made the flight from Hawaii in 17 hours 29 minutes. They took off from Wheeler Field, Honolulu, at 2.15 p.m. Nov. 3.

Armistice Day Is Celebrated in Shanghai

Shanghai, in common with the rest of the world, observed Armistice Day (Nov. 11) with appropriate ceremonies. Brig.-General Macnaghten led a service early in the morning at the War Memorial. The principal religious service was held at Trinity Cathedral, where Dean Trivett preached a sermon on the text, "Greater love has no man than this, that a man lay down his life for his friends."

Governor of Arizona Declares Martial Law in Dispute With Utah

The building of a temporary bridge across the Colorado river by the Utah state authorities resulted Nov. 10 in the Governor of Arizona, Dr. Moeur, declaring martial law along the Colorado river on the Arizona side of the Parker diversion dam site.

Eccles Becomes Federal Reserve Board Head

Marriner Stoddard Eccles, prominent Utah banker, has been appointed governor of the Federal Reserve Board.

Ten American Railways Default—Interest on R. F. C. Loans Not Paid

Ten railroads defaulted their interest charges on loans from the Reconstruction Finance Corporation, it was disclosed in Washington, Nov. 12.

Pennsylvania Railroad Orders 57 Electric Driven Locomotives

The Pennsylvania railroad has placed orders for 57 streamlined, electric locomotives which will replace the traditional "iron horse" on its main lines.

Richfield Company to Go to Sinclair Interests

Sale of the Richfield Oil Company to the Sinclair Oil Refining Company for the sum of $4,400,000 was ordered in Los Angeles, Nov. 3 by Federal Judge William P. James.

Riotous Conduct Marks Closing Hour of Chicago Exposition

Scenes of the wildest disorder were witnessed in Chicago on the night of Nov. 1 when mobs of Hallowe'en revellers destroyed sections of the World's Fair and caused damage estimated at U.S.$150,000. It was the last day of the World's Fair. The revellers celebrated the occasion by pillaging booths and wrecking a number of the model villages.

U.S. Trade With China Shows Decrease

Trade between China and the United States during September declined as compared with the corresponding period last year. Exports to China amounted to $3,970,000 and imports $3,470,000, as compared with $4,671,000 and $3,800,000 respectively, in September, 1933.

Import Ban on Silver to Remain

The petition of the Shanghai Native Bankers Guild for the lifting of the ban on the importation of silver coins and miscellaneous currency, with a view to increasing the silver stocks in this country, has been rejected by the Ministay of Finance.

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New Bridge Started Over Chientang River

A ceremony was held at Zakow Nov. 11 to mark the commencement of the construction of the bridge across the Chientang River. Tseng Yang-fu, in his capacity as Commissioner of Reconstruction, presided over the ceremony and delivered the opening address. Other speakers included Tseng Chung-min, Vice-Minister of Railways, and Dr. Mao I-sheng, Director of the Chien Tang River Bridge Engineering Office. The construction will cost approximately $5,500,000, which will be contributed by the Chekiang Provincial Government and the Ministry of Railways with the aid of a loan of £160,000 worth of material obtained from the board of trustees of the British Boxer Indemnity Fund, an appropriation of $1,000,000 from the National Economic Council, plus a $2,000,000 loan obtained from five Chinese banks.

The Ministry of Railways, the National Economic Council and the Chekiang Provincial Goverment and other interested public organizations accepted the invitation of the Committee in charge to send delegates to attend the ceremony.

The bridge, which is to be built under the joint auspices of the Ministry of Railways and the Chekiang Provincial Government, will span the Chientang River, connecting the Hangchow Station of the Shanghai-Hangchow-Ningpo Railway with the Tsingkiang Station of the Hangchow-Kiangshan (Chekiang-Kiangsi) Railway.

September Tea Exports from Shanghai Reach 4,546,637 Piculs

According to the Bureau for the Examination and Testing of Commercial Commodities the total export of Chinese tea from Shanghai during the month of September amounted to 4,546,637 piculs, of which 3,092,464 piculs were exported to foreign countries, while 1,454,173 piculs were transported to other Chinese ports. (Picul equals 133 lbs.)

Ministry Develops Four Major Industries

Rapid progress is now reported on plans of the Ministry of Industry for the establishment of four major factories for the manufacture of alcohol, newsprint, machinery and rayon silk in this part of the country. The alcohol plant, built in Pootung and organized jointly with an oversea Chinese syndicate with a capital of $1,500,000, is to start operation early next month. Installation of machinery is being completed. Machinery and other equipment for the newsprint factory have been ordered from Germany and funds are being collected for a capitalization of $6,000,000, of which $2,000,000 is put up by merchants. Negotiations for the machinery plant and the rayon silk factory are going on, with indications that both will be situated in Shanghai.

Banks Grant Loan of $7,500,000 to Kiangsu

The Kiangsu Provincial Government has secured a loan of $7,500,000 from a banking syndicate in Shanghai (on the security of the Kiangsu Provincial Water Conservancy Loan of $12,500,000) under an agreement signed by representatives of the Kiangsu Provincial Department of Finance, and the banking syndicate.

The banks composing the syndicate and their share of the loan are as follows: Bank of China, $1,800,000; Bank of Communications, $9,000,000; Postal Remittances and Savings Bank and the various member-banks of the Native Bankers' build, $500,000 each; the Kiangsu Bank, the Joint Savings Society of the Yien Yieh, Kincheng, Continental and China South Seas Banks, and the Kiangsu Farmers Bank, $250,000 each; the Manufacturers Bank of China, the China State Bank, the Chekiang Industrial Bank, and the National Commercial Bank—$200,000 each; the Tung Lai Bank, the National Industrial Bank of China, the Land Bank of China, the Sin Hua Trust and Savings Bank, and the Commercial Bank of China—$150,000 each. The agreement was signed by Hou Hou-pei, secretary of the Kiangsu Provincial Department of Finance, and Hsu Pao-ying, general manager of the Kiangsu Bank, on behalf of the banking syndicate.

Pootung Distillery to Open Nov. 15

The China Distillery, located on a 150 mow of land at Yangchiachiao, Pootung, was scheduled to begin operations on November 15, with Chen Kung-po, minister of industry, officiating at the opening ceremony.

Installation of the distillery plant has been completed, most of the machinery having arrived from England. Capitalized at $1,500,000, the distillery is the first large-scale alcohol plant established and run by Chinese. The initial daily output from the plant will be 7,000 gallons. The Kian Gwan Company (India), Ltd. will be in charge of the plant, the ownership of which is shared by Oei Kang-chwan, prominent oversea Chinese of Java, and the Ministry of Industry.

Nanking to Have New Central Railway Station

A sum of $190,000 has been allotted by the Ministry of Railways towards the construction of the projected Central Railway Station at Nanking. Two warehouses will be built for cargo storage, one for the Nanking-Shanghai Railway and the other for the through traffic service. Three pairs of tracks will be laid.

New Shansi Coal Mine Organized by Yen Hsi-shan

Gen. Yen Hsi-shan, Pacification Commissioner of the Northwest, has organized a mining enterprise called the North Shansi Coal Mining Bureau, with a capital of $1,500,000.

Gold Discovered in Demilitarized Zone

A gold rush to the demilitarized zone is predicted as the result of the discovery of gold deposits in Chienan, Hsinlung, Changping and Shihmen.

British Built "Hai Yuan" Put on Canton Run by C.M.S.N. Co.

The British built steamer *Hai Yuan* was formally turned over to the China Merchants S. N. Co. Nov. 10. O. S. Lieu, general manager of the company, held a reception. The vessel, which has been put on the South China run, left here on its maiden voyage Tuesday morning to call at Amoy, Swatow, Hongkong and Canton, reaching the last port of call on November 17. Capt. H. J. Johannessen, veteran in the C.M.S.N. service, a Norwegian, is in command of the new vessel.

Agricultural Station Reports on Chinese Tea Production

A comprehensive report on the production and consumption of tea has been made public by the Central Agricultural Station of the Ministry of Industry, following an intensive investigation throughout the country. Green tea heads the lists in production, occupying 62 per cent of the total output. The annual consumption in this country amounts to 7,000,000 piculs with an average of 7 catties per capita.

Canton Presses Foreign Firms to Pay Business Tax

The Business Tax Bureau of Canton has sent out officers to persuade foreign firms to pay the business tax. The firms were warned, according to the *Central Press*, that if they do not pay before the time fixed, strict measures will be taken to force them to do so. The Bureau reports that since notice of the imposition of the business tax was given many foreign firms had registered and paid the tax, but that some were still hesitating.

20th Year Relief Loan Drawing Held

Tsiang Lu-foo, director of the Ministry of Finance, presided at the public drawing for the amortization of the 20th Year (1921) Relief Loan the Shanghai Chinese Bankers' Association Nov. 10. Payment will be made as usual through the Central Bank of China, the Bank of China and the Bank of Communications throughout the country as from Nov. 30.

Cotton Cultivation to Be Improved in Shantung

In view of the flourishing sale of cotton from American seeds in Eastern Shantung, the Provincial Department of Reconstruction has mapped out definite plans for the cultivation of the cotton in the district around Kaotang-hsien, south of Techow.

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Arbitration Tribunal Studies R. C. A.-Mackay Dispute in China

The New York *Times* of Oct 14 stated that an international arbitration tribunal, composed of three prominent European jurists, is studying the briefs and reply briefs of the Radio Corporation of America and the National Government of the republic of China in an effort to determine whether China, by operating jointly with the Mackay Radio and Telegraph Company, a direct radio service between China and the United States, violates the traffic agreement between China and the Radio Corporation, dated Nov. 10, 1928.

This action was begun last Summer when Mackay Radio completed a contract with the Chinese National Government and inaugurated a communication service between China and the United States. The R.C.A. agreement with China provides for the arbitation of all disputes arising from interpretations of the contract and each party selected one jurist, while they in turn chose an umpire to sit with them.

The members of the tribunal are Dr. van Hamel of Amsterdam, A. Hubert of Brussels and Dr. Fuyrre of Switzerland. It has not been determined where they will render their decision, which is expected early next year.

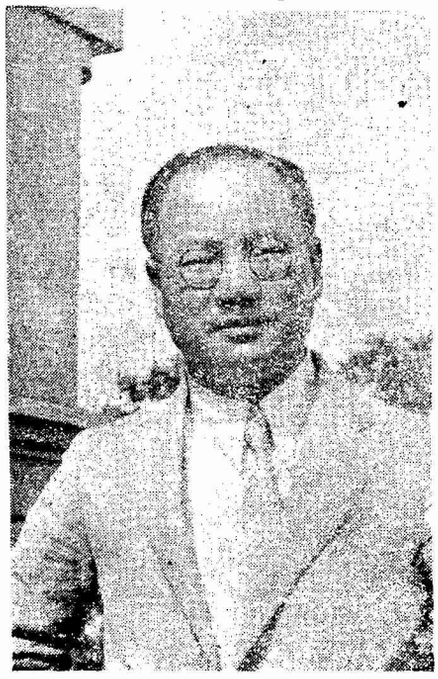
R. C. A. asks the tribunal to order China to cease operating the joint radio circuit with Mackay, to give R. C. A. an accounting of all telegrams that have been transmitted over that circuit up to the moment of its suppression, and to pay R. C. A. all the moneys that would have accrued to R. C. A. if they had been handled over the circuit it operates jointly with China. The court is asked also to order China to defray all costs of the arbitration and to reimburse the Radio Corporation for its expenses.

Raw Silk Use in U.S. Is Higher in October

Consumption of raw silk in America during October showed the highest figure so far since June, 1933. The volume was 49,106 bales, a big jump of 16,507 bales over the previous month and a larger gain of 20,685 bales over the like period last year. Japanese raw silk, exceeding all other, consumed there last month amounted to 47,687 bales, which was the highest since October, 1932, when the amount was 48,356 bales.

Who's Who in China

Li Tchuin, diplomatic official; born at Meihsien, Kwangtung 1891; studied during his youth at the China National Institute and Nanyang College in Shanghai and the Customs College at Peiping; upon establishment of the Republic in 1921, he was appointed a secretary in the Office of the President; later he was sent by the Government to study in England and France; appointed by the Ministry of Foreign Affairs snperintendent of Chinese laborers in France in 1917; appointed Vice-Consul at the Chinese Consulate-General in Paris, 1919; promoted 2nd class secretary of the Chinese Legation in Paris, 1922; Consul-General at Singapore 1927; Consul-Genetal in Canada 1929; Consul-General at Paris, 1933; promoted Minister Plenipotentiary to Peru, March, 1934, which post he now retains; address: Chinese Legation, Lima, Peru.



李駿字顯章
Li Tchuin (Li Tsun)

李駿字顯章，廣東梅縣人，現年四十三歲，年少時曾在上海中國公學南洋公學北京稅務學堂肄業，嗣於民國元年南京臨時總統府內充當秘書，南北統一後，由稽勳局派送英法留學，民國六年由外交部派往法國充當華工監督，八年改派巴黎副領事，十一年改升駐法使館二等秘書，十六年升調新加坡總領事，十八年改調加拿大總領事，廿二年改調巴黎總領事，廿三年三月升調駐秘魯國全權公使，現任斯職。

States Steamship Co. Was Paid $2,534,954 for Carrying U.S. Mail

The States Steamship Company was paid the sum of U.S.-$2,534,954 to carry United States mails between Portland, Oregon, Japan, Hongkong and Manila as compared with the usual poundage rate, which would have been U.S.$74,520. Testimony to said effect was heard in Washington, Nov. 12, during the hearing conducted into the subject of ocean mail contracts. The high rate, it was explained, was intended to aid American competition against Japanese lines. The States Steamship Company had promised to create a first-class fleet of steamships for service between Portland and Manila via Yokohama, Shanghai and Hongkong.

Real Estate Review by Realty Investment Co.

As Shanghai looks forward to the formal opening of her newest and finest building on the corner of Building Well and Park Roads, Shanghai is also reminded that this new building is very much the center of a new section which might be called the West-Central District. From the upper floors of the new Park Hotel one is impressed at a glance with the amount of new buildings and the better quality of the majority of present buildings in this section.

The large permit for the week is in this Week-Central District. It will occupy a large plot of ground and be a substantial addition to present property. The old buildings have already been cleared, so that the new work can proceed. This new building will be an apartment with some office space, and will rise on the corner of Park and Burkill Roads.

Another large block of houset are to be built on Taku Road, between Chengtu and Yates Roads. The group will be made up of 20 Foreign residences with a gate-house.

One large foreign residence will be built off Penang Road, West of Gordon Road.

In the Northern District there is one permit. It is for 4 Chinese shops, with gate house on N. Chekiang Road, between Tiendong and Tsepoo Roads.

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Property Sinking Fund	$ 384,608.87
Mathematical Reserve.....	$65,123,536.74

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Begin your cure to-day and note how quickly you will look forward to meal times, and enjoy and benefit by what you eat. Your chemist can supply

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70-459

Men and Events

Chang Pah Ging has been appointed sub-manager of the Shanghai office of the Commercial Bank of China.

Noel, Murray & Co., Ltd., old established British auction firm, announces that it is going into voluntary liquidation.

The Shanghai motor car field is being invaded by a "baby" car known as "Datsun" made in Yokohama. The first model arrived last week.

Dr. Edward H. Hume, Yale '97, President of the Yale-in-China Board of Trustees, is assisting Dr. F. C. Yen at the National Medical College, Shanghai.

Dr. Francis C. M. Wei, President of Central China College, at present on an extended lecture tour in the United States, expects to return here in December.

Captain J. A. V. Morse, who has been appointed Naval Adviser to the Chinese Government in succession to Captain H. T. Baillie Grohman, will leave England for China on Nov. 23.

Dr. Esson M. Gale delivered a lecture entitled "Chinese Histories and Historians of the Past Three Millenniums" before the North China branch of the Royal Asiatic Society, Thursday, November 15.

Frank Cole, an aviation mechanic in the employ of the Chinese Government, was granted an interlocutory divorce decree against Mrs. Lillian Louise Cole, by Judge Milton J. Helmick, in the U. S. Court for China, Nov. 8.

Vice-Admiral Imamura departed from Shanghai Nov. 12 on the flagship *Idzumo* for Sasebo where he has been appointed commandant of the Naval Base. A resplendent farewell party was given on board the *Idzumo* just prior to its departure at 3 o'clock.

Commander Maurice M. Witherspoon, the U. S. Navy's "travelling Chaplain" will succeed Lieutenant-Commander Joseph Howard Brooks as chaplain of the Fourth Marines in Shanghai. Com. Witherspoon is aboard the transport *Grant* which sailed from San Francisco Nov. 10.

A. Bland Calder, acting commercial attache of the U.S. Department of Commerce office in Shanghai, has returned from Japan. Mr. Calder had accompanied his father, the Rev. A. Calder, retired, Portland, Ore., Methodist minister, to Japan on his way home from a two-months visit.

A spokesman of the Ministry of Finance at Nanking, Nov. 13, denied that the Government were contemplating the establishment of a Customs station in Hongkong. He said that telegrams had been received from commercial bodies in Canton, protesting against the move, which, he declared, was absolutely unfounded.

The British army transport *Dorsetshire*, which arrived in Shanghai from England Nov. 12, brought the wives and families of 35 members of the Worcestershire regiment on duty here. The Worcestershires are being transferred to Tientsin on permanent station. Their place is being taken here by the Royal Inniskilling Fusiliers.

Captain P. V. Williams, of the Royal Artillery, pleaded guilty at a court-martial in Hongkong, Nov. 12, to seven charges of making false entries in cash books containing the accounts of his battery funds and of the Garrison Hunt and Polo Club. Captain Williams admitted that he had previously been court-martialled for similar irregularities.

C. F. Strickland, British expert on rural economy, who has been touring North and Central China since his arrival in September to inspect conditions with a view to helping China in the work of rural rehabilitation, is due back in Nanking next week. He will deliver a series of lectures at various universities and colleges in Nanking and also in Shanghai.

Mr. Coode, a civil engineer from London; C. Kursin, Director of Public Works in Madagascar; M. Hijhoff, a consulting engineer from The Hague; and Signor Omodeo, (the two last-named being rapporteurs attached to the Public Works Committee of the League of Nations) left Geneva Nov. 7 enroute to China to study water conservancy and road communications.

Hu Wen-hu, popularly known in the Straits Settlements as Aw Boon-haw, returned to Shanghai Nov. 11 from Hangchow where he had participated in the ceremony for the start of construction of the Chientang River Bridge. He departed from Shanghai for Hongkong on his way back to the Straits Settlements by the Dollar liner *President McKinley* on November 14.

German Duke Visits Shanghai

The Duke of Saxe-Coburg and Gotha, a grandson of the late Queen Victoria, arrived in Shanghai Nov. 11 from Peiping and received a warm welcome from members of the German and Italian communities and Chinese officials. While here he was the guest of Lieut.-Col. Hermann Kriebel, German Consul-General and Frau Kriebel. He boarded the Italian liner *Conte Rosso* Nov. 13 on his way back to Europe.

American Community Organizes New Welfare Organization

A well-attended meeting of representative Americans was held at the U.S. Consulate, Shanghai Nov. 13, in response to an invitation sent out by Edwin S. Cunningham, United States Consul General. The object of the meeting was to form an American Community Welfare Organization. Mr. Cunningham explanined the purposes of the organization ("American Community of Shanghai") and the proposed articles of the constitution. The object will be to combine in one the budgets of the various philanthropic and other interests toward which the community was expected to contribute. Membership fees would be $10 a year, and every member was entitled to a vote.

The seventy persons present unanimously approved the principle of the organization. The following committee was elected to carry out its purposes:—E. J. Twogood (Standard-Vacuum Oil Co.), U. S. Harkson (Henningsen Produce Co.), Rev. C. E. Patton, J. A. MacKay (National City Bank), J. E. Swan, (Swan, Culbertson & Fritz), O. G. Steen (Robert Dollar Co.). M. D. Purdy, (former Judge of U. S. Court for China), Mrs. C. L. Boynton (American Women's Club), C. J. Smith (American Asiatic Underwriters), C. M. Wentworth (Wentworth & Andrews), Dr. Anne Walter Fearn, A. E. Schumacher (Chinese Bank), W. A. Adams (China Realty Co.), Arthur Bassett (B.A.T.), and P. S. Hopkins (Shanghai Power Co.).

Son of Dr. D. Willard Lyon Is Murdered in Los Angeles

Two negroes are being held by the Los Angeles (California) police on suspicion of murdering Lawrence Lyon, Shanghai-born son of Dr. D. Willard Lyon. Young Lyon apparently was killed during a hold-up near Los Angeles. His father, the Dr. Lyon, was for many years associate general secretary of the National Committee of Y.M.C.A. in China and it was he who organized the Y.M.C.A. in this country. His son, Lawrence, was born here during the time that his father was active in making surveys in China on behalf of the Rockefeller Foundation.

Tea Dance Held on Board Italian Liner in Shanghai Harbor

A tea dance was given on board the Lloyd Triestino (Italian) liner *Conte Rosso* Nov. 12 on the eve of its departure for Europe. Chev. C. Polesello, the agent in Shanghai, also entertained press representatives at a "dejeuner." This boat together with the sister vessel *Conte Verde* make the trip from here to Italy in 23 days—shorter by several days than any other line, principally due to the fact that fewer stops are made and short ones at that. These Italian boats have become very popular with the diplomats of all countries, including Chinese, in their trips between China and Europe.

French Concession Police Refuse Permission for Russian Memorial Service

The holding of a memorial service for the two White Russians, Bahtin and Pelgorsky, who lost their lives in the disturbances outside the Soviet Consulate on Whangpo Road, Shanghai, on November 7, 1927, was not permitted by the French Police. The memorial service was scheduled to be held at the Lokawei Cemetery at 2 p.m. The crowd which assembled for the service was ordered to disperse and the service cancelled by the authorities just before Bishop Victor, who was to conduct the service, arrived on the scene.

Rockefeller Fund Spent $9,890,806 in 1933

The annual report of the Rockefeller Foundation, showed that in 1933 the institution appropriated $9,890806 for philanthropic projects in various parts of the world. The balance sheet listed investments with a ledger valuation of $187,215,840 and total assets of $198,668,308. The appropriations, comparing with a total of $11,577,064 in 1932, were used to further public health, the medical, natural and Social sciences, the humanities and for emergency purposes. In a foreword, Dr. Max Mason, president of the foundation, said that the work of the institution had been vitally changed in scope.

For public health the expenditures totaled $3,286,063. The foundation supported laboratories for yellow fever research in Lagos, Nigeria; Bahia, Brazil, and New York City. It aided studies of hookworm, malaria, Rocky Mountain spotted fever, tuberculosis and other diseases, and contributed toward the development of health services in many parts of the world.

Recipient of assistance to further the social sciences included the National Bureau of Economic Research, the Financial Section and Economic Intelligence Service of the League of Nations, the Economic Foundation, the University of Louvain, the Industrial Relations Counsellors and many others.

THE GIST OF JAPANESE PRESS OPINION

If the Anglo-American compromise plan is to recognize Japan's claim of parity with an understanding that Japan postpones her naval construction program, that amounts to maintenance of the existing ratios, and therefore is unacceptable to this country. To break through the impasse, America and British must announce their plans.—*Tokyo Chugai.*

The League of Nations is reported to have discussed the alleged Japanese fortification of the South Sea islands contrary to mandatory agreement. This only reveals the ignorance and even malice of some of the European leaders in dealing with the Pacific situation.—*Osaka Asahi.*

In most cases the high import duties now enforced in this country are intended for protection of trusts and cartels. The consequence is the appreciation of commodity prices without accompanying improvement of quality for the sake of the consumers and of the State finance. Such cartel tarriffs should be reduced or abolished.—*Tokyo Yomiuri.*

The Finace Minister's plan of initiating emergency profit tax has caused a serious slump of quotations. This, as the Finance Minister remarks, was due to his neglect of political operation. Finance without politics is the cause of unrest.—*Tokyo Kokumin.*

The Minister's plan of provisional profit taxation is causing great uneasiness on the stock market. His undetermined policy has caused a consequent slump of stock quotations. To improve the situation, he must adopt more definite and suitable policies.—*Tokyo Jiji.*

Unpleasant reports have been received through the press, that the distressed farmers are selling their daughters. Such terrible practices must be stopped with Government aid.—*Tokyo Hochi.*

Chinese Students in Tokyo Tax Accommodations of Schools

Between 2,000 and 3,000 Chinese students, thrice the number from Manchukuo, are attending universities and colleges in Tokyo, and between 400 and 500 are leaving and arriving each year, according to a compilation of figures by the *Chugai Shogyo.* Shortly after the Manchurian incident in 1931, the 2,500 Chinese students in Tokyo dwindled to about 700, but the number began to grow late in 1933, and the former average was reached early this year in Japan. In September and October of this year 1,000 arrivals were reported, with an indication that the gain would continue. The depleted yen is believed to be one of the factors in the influx. It is noted that the Chinese students now arriving have received a better preliminary education than those who came several years ago. More than half the newcomers are graduates of Chinese universities and colleges and seek admittance to postgraduate courses in Japanese universities. In the past most of the Chinese students sought legal and political education but the majority of those in Japan now want technical instruction, particularly in the fields of physics, medicine and agriculture.

Nearly all the Chinese students devote themselves at first to study of the Japanese language.

The *Chugai Shogyo* (a commercial journal) added that Government and private educational institutions in Japan are finding difficulty in accommodating the large number of Chinese students.

Proprietor of Shanghai Daily Newspaper Murdered in Cold Blood

Sze Liang-zai, aged 55, publisher of the *Shun Pao*, one of the largest Chinese daily papers in the country; Teng Tsu-hsing, aged 23, his son's classmate; and his chauffeur, were shot dead in cold blood, by a bandit gang, while they were driving in a motor car on the Shanghai-Hangchow railway, near Haining, on the afternoon of Nov. 13. The party was returning from a trip to Hangchow. The motive and the identity of the assassins are both unknown. Besides being the proprietor of the *Shun Pao*, the late Mr. Sze was director of the proposed Wenchow Newsprint Factory, and chairman of the Boards of Directors of both the China Merchants' Steam NavigationCo., and the Chinese Red Cross Society.

Sudden Death of Major-General Weng Hung-en

Major-General Wen Hung-en, police commissioner of the Municipality of Greater Shanghai, died Nov. 12 at the Hungjao Sanatorium. Pending the appointment of a successor, Mayor Wu Te-chen of the Municipality of Greater Shanghai, will act concurrently as police commissioner.

Begin The Day With A Smile.

Beginning the day with a smile is largely a matter of habit—the DAILY habit! If you are troubled with intestinal congestion, or your liver is sluggish you cannot get up in the morning feeling cheery and bright.

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New Books of Interest in the Far East

America, Keep Out of the Next War!

America Faces the Next War. By Frank H. Simonds, New York, Harper and Brothers. 1933. *Cloth,* 82 *p. Gold* $1.

Frank H. Simonds gained a deserved reputation during the World War, and his opinions today have come from a keen observation of events in Europe for the past twenty years. This little book dates from November 1933, after Adolf Hitler came into power as chancellor in Germany. Its theme in large measure is Hitler's Germany and the inevitability of a European War, soon or late. The Great War was a war to end war, but all the traditional conditions continue. The old balance-of-power conflict is on its way once more. "American participation in the last war therefore accomplished no more than to assist Europe in preparing the way for the next." It is fruitless now to talk of treaty revision. The time for that has passed, even granting it could ever have been possible. What Germany wants "cannot now be had in whole or in part save by war." The League has failed in that it has not been trusted enough to become a superstate; the moral authority intended to reside in the Kellog Pact vanished on Japan's refusal to withdraw from Manchuria; and the Disarmament Conference has become merely a battleground of rival national policies.

The question to which the reader is led, accepting the inevitability of another war, is whether the United States shall be a neutral or a belligerent. There can be no middle ground. It is here that the author charges President Franklin Roosevelt with pursuing a dangerous middle-ground policy identical with that of Wilson—namely of bargaining with European countries to keep the peace, through unofficial agents, not through the Secretary of State. In illustration he cites the negotiations in which Norman H. Davis offered to commit the United States to come to the aid of France against German aggression provided France would cut down her armaments. Wilson's break with traditional American policy was on the assumption "that the World War had produced a revolution in European political thought." But circumstances prove that "in Europe the spirit of 1933 is indistinguishable from that of 1914." Let the United States keep her eyes open, warns the author, lest an already mistaken policy draw her into another war that will *not* end war.

D. R.

Studying the Chinese Ideographs

A Primer in the Writing of Chinese Characters. By David Dean Barrette, Captain, 15th Infantry, U.S. Army. Shanghai: Kelly and Walsh, Ltd., 1934. *Cloth.* 78 *pages. Mex.*$3.50, *postage* $.15.

This attractive little book is a jocular and non-frightening approach to the study of Chinese characters. The author describes its intended owner as "the person who having picked up a speaking knowledge of Chinese, has the desire to learn without too much effort, something concerning the writing of this fascinating language." Fortunately the book will prove just as interesting to those who have no knowledge of the speaking language, but wish to find some meaning in the written language of China.

Captain Barrett has divided his material into thirteen lessons, each with definite practice work and review. The method used is above all practical, so the explanations are neither detailed nor academic. The division of the character into the radical and phonetic elements is used as the basis for the lessons. There is no attempt to study all the radicals nor to take them in regular order. The simple, useful radicals with which frequently used characters are formed are presented in striking and sometimes startling fashion. When the course is completed the student should possess a writing knowledge of more than two hundred radicals and allied characters.

The usefulness of such a book is evident, even had its practical value not been shown by its use among the men of the United States Army in China. It is encouraging that a book on the writing of Chinese characters has been prepared for those who are neither children nor sinologues.

F. M. R.

The Christian Movement in Japan

Suzuki Looks at Japan. By Willis Lamott, editor of the Japan Christian Year Book, 1932. *Friendship Press, New York.* 1934. *Cloth. Pp.* 197.

This is a book written primarily for those interested in the Christian movement in Japan. The author has resided in Japan since 1919 and shows a wide experience with the thinking of the Japanese who are intellectually and socially minded. Japan is viewed through the eyes of "Suzuki," who is representative of the educated middle-class Japanese Christians trying to live up to the vision and standards of their faith in the environment of modern Japan. Thus we find the Japanese government today, aware of the influences of pure materialism, looking for forces that will strengthen the moral fibre of the nation. This, says, Suzuki, is the justification for emphasizing Christian education in Japan. "It is our opportunity and our challenge." Apart from Christianity the living forces in Japan are found only among the minor cults, and the author quotes Kagawa—that outstanding Japanese Christian—as saying that the Tonrikyo cult, numbering over four million adherents, an offshoot from Shinto, derived three-fourths of its doctrines from Christian sources. Yet Christianity, strong in its appeal to the educated class, "must lose its Western odor before it can expect to reach the farmer, the small shop-keeper, or the artisan of Japan." To Kagawa the opportunity lies in the impulse to social change. New moral standards, developing out of the Christian attitude toward social and international problems, are the hope that the author finds in Christian effort in Japan.

The book is intended for discussion groups as well as for the general reader, and following a selected bibliography is a series of "Tests and Questions" prepared by T.H.P. Sailer, covering fifteen pages. For either of these two purposes the book may be well recommended.

D. R.

Guide for Christian Teachers in China

Use of Material from China's Spiritual Inheritance in the Christian Education of Chinese Youth. By Warren Horton Stuart, Ph.D. Kwang Hseuh Publishing Co., Shanghai.

Though somewhat handicapped by a cumbersome title, this dissertation is just as advertised "A Guide and Sourcebook for Christian Teachers in China," and as such may be found of rather unique value. At least this reviewer does not know of any other compilation of indigenous material in usable shape for educators in China. The treatise was prepared by the author for his doctor's degree in the graduate school of Yale University, and as may be noted above secured for him the coveted appendage to his name.

We are familiar with the author as a writer of fiction, notably "Laughing Buddha," but in this little volume we see him as the scholar who knows not only the Chinese language but Chinese literature, traditions and customs, all of which he brings into practical use in providing a veritable treasure house of Chinese proverbs, ideals, stories, practices, and quotations from classic and modern writers for the use of other educators in China. Many others also will want to avail themselves of the proverbs, maxims and mottoes which he has classified for use, as well as the stories of sages and heroes for illustrative material. Dr. Stuart is to be thanked as well as congratulated in making the results of his study available for the use of others.

G. T. F.

The Typhoon as a Symbol of Turmoil

Typhoon Days in Japan. By Robert Steward Spencer. New York, Friendship Press. 1934. *Cloth.* 182 *pages.*

A Japanese Grandmother. By Emma G. Lippard. New York, Fleming H. Revell Co. 1934. *Cloth.* 62 *pages.*

In his book designed primarily for Christian mission study groups in America, Robert Spencer uses the typhoon as a symbol of the turmoil through which Japan has been passing for the past eighty years. The understanding of Japan's struggle is presented as a definitely Christian adventure in brotherhood. The brief historical background throws into more vivid relief the startling changes which placed Japan at the council table of the five great powers half a century after the Restoration.

Educational changes, rural life and its need for reconstruction, the weakening of the family system—how the Christian faith can contribute to these needs is the theme of the book. The explanatory notes, the reading list for study groups and the excellent map of Japan which forms the end papers make this a helpful introductory book to the problems of Japan.

A Japanese Grandmother is a short story portraying three generations of present-day Japan. The Takeshima family with its cultural heritage and its conservative attitudes is threatened both by the financial uncertainty and the political instability of the post-war period. Strangely enough the grandmother is best able to penetrate into the spiritual and practical problems of her son and grandson. This same sense of power latent in the older generation of Japan has recently struck the reviewer in reading certain parts of Miriam Bear 's Realism in Romantic Japan. There are in these sixty odd pages characters and situations which might well be expanded into a full length novel.

F. M. R.

China Ranks 18th Among Nations in Higher Education

China ranks 18th among the nations of the would in the matter of higher education, but is 24th with respect to primary education, so far as the size of school attendance is concerned, according to a statistical comparison drawn up last week by the Ministry of Education.

The "Nigori" and the "Onbin"

The Editor, *China Weekly Review* :—

I beg to inform you that there are some technical errors in the article on "The Nigori" in the issue of Nov. 3, 1934 (p. 318) of the *China Weekly Review*.

1.—In Japanese, "Nigori" has two meanings, namely "muddling" and "sonant." In such case it means the latter (not "muddling")—correctly 濁音 in Japanese characters.

2.—About the pronunciation of 日本. 日 is pronounced by itself "Nichi (not "ni") and 本 is "hon" (as you said.) But we, Japanese, pronounce these characters as "Nihon" or "Nippon." "Nihon" is literally dialect and "Nippon" is the euphonic change of "Nichi hon" and there are no "Nigori" or sonant sounds in these pronunciations. I will arrange some similar examples :—

日華	(Japan and China)	is Nikka (not Nichi-ka)
日清	(name of Steamship Co.)	is Nisshin (not Nichi-shin)
日光	(name of the famous shrine	is Nikko (not Nichi-ko)

and we call these changes "Onbin" (音韻). "Onbin" is another type of euphonic change from "Onin."

But,

日英	(Japan and Britain)	is Nichi-ei (not Niei)
日米	(Japan and U.S.A.)	is Nichi-bei (not Nibbei)
日露	(Japan and Russia)	is Nichi-ro (not Nirro)
日曜	(Sunday)	is Nichi-yoh (not Niyyoh)

and so on.

However, your explanation of the "Nigori" as applied to the name of the general Hishikari (when pronounced Hishigari) is correct.

Shanghai, Nov. 11, 1934. SHINZIRO ITO.

Warsaw's Beggar Nuisance Has Nothing on Shanghai's

(*From the Shanghai Times*)

The authorities of Warsaw have just wakened up to the fact that beggars are a nuisance and that the practising of their profession in the streets of the city is distinctly *ne plus ultra*, or whatever they call it in Poland. Members of the profession of street beggars, which has apparently been very lucrative up to now in Poland, are deploring the departure of the golden age, since the Government authorities have made it clear that they will stand no nonsense regarding the enforcement of the laws.

According to a *Transocean-Kuo Min* message, the Warsaw police, a few weeks ago, removed 2,000 beggars from the streets of Warsaw alone, while the campaign is also being ruthlessly carried out in other parts of Poland.

The favorite haunts of these beggars has always been the cemeteries, and hundreds of them were arrested there recently. Examinations showed that many of them were more or less wealthy, one well-known character being found to have secreted in his home a whole sack of gold and silver coins. One man, who had retired, sold his stand to another "unfortunate" for 3,000 Zloty. Another beggar died last week, leaving a fortune of 600,000 Zloty for his heirs.

Regardless of what a Zloty is worth, that sounds a pretty sizeable fortune to most.

But Warsaw's beggar problem is by no means as complicated as that which exists in this city. Shanghai's beggars constitute one of the most difficult social conundrums in this amazingly complex metropolis. There is no institution to which they may be sent for correction and the teaching of useful trades. The futility of arresting them for the purpose of prosecution has long been realized. The jails are already overcrowded with Chinese who are digging in for the winter. To drive the beggars out of one district merely means pushing them into another, to have them driven back again within a very few hours.

Perhaps Warsaw has the solution to the problem. But the authorities have not disclosed it. The question might well be asked —what did the Warsaw police do with the 2,000 beggars removed from the streets?

S.M.R. Not to Enter Further Bids for Shanghai Power Coal

The South Manchuria Railway Company will abandon its practice of entering bids to supply coal to the Shanghai Power Company from next year, a Dairen message dated Nov. 13 stated.

The decision is ascribed to the determination of the company's officials to restrict the annual exports of Fushun coal by 100,000 metric tons, in view of the increasing demand for the coal caused by industrial developments in "Manchukuo" and Japan.

The S. M. R. Company will also restrict as far as possible the exports of Fushun coal to North China and the South Seas Islands it was said.

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

70-463

The Genesis of the Manchurian Oil Monopoly

BY H. J. TIMPERLEY

(in the Manchester Guardian)

POLITICAL interference with the normal course of competitive trade is now threatening foreign commercial interests in "Manchukuo" at almost every turn. Hsinking officials hardly bother even to pretend that any serious effect is being made to carry into effect the "Manchukuo" Foreign Minister's declaration of March 12, 1932, that "with regard to the economic activities of the peoples of foreign nations within the State of Manchuria the principle of the Open Door shall be observed." What they now say, in effect, is: "When the rest of the world is placing restrictions upon imports from Japan and 'Manchukuo,' why should we be the only country to observe the Open Door principle?"

Most seriously menaced at present are the foreign oil companies, which have been doing a thriving business—under the definite threat, however, of dangers ahead. Early in the year hints were given that the "Manchukuo" autnorities intended to establish a government oil monopoly with the evident intention of excluding the foreign oil companies from distributing their products in "Manchukuo" territory. It was indicated that the monopoly would go into effect early in 1935, when the refinery now being constructed near Dairen for the Manchuria Oil Company is to begin operations. Capitalized at 5,000,000 Yen, this company, whose shares are held by the Japanese-owned South Manchuria Railway Company (2,000,000 Yen), the "Manchukuo" Government (1,000,000 Yen) and various Japanese oil interests, plans to import crude oil and produce from it gasoline, kerosene and fuel oil in sufficient quantities to supply at first 20 per cent, and eventually 50 per cent of Manchuria's present requirements, estimated to total about 30,000,000 gallons per year.

Two Monopoly Plans

The "Manchukuo" Government is believed to have under consideration two different plans for introducing the monopoly, one known as the "sales quota" system and the other as the "selling zone" system. Under the former the sales of each foreign and Japanese company engaged in the retail trade would be limited to a certain number of cases per year, while under the latter "Manchukuo would be divided up into a number of "selling zones," which would then be farmed out to licensed dealers. In Japan, where the "sales quota" system operates, foreign companies engaged in retailing gasoline are restricted to less than 50 per cent of the total volume. In fixing the quotas for the period from July to December, 1934, states a Tokyo dispatch published in "The Manchuria Daily News," "care was taken by the Ministry (of Commerce and Industry) to favor those companies which either import crude oil from abroad and refine it or sell native oil and put at a disadvantage those which import refined oil from abroad." The indications are that a similar policy will be followed in "Manchukuo," so that, even if at first they are allowed to retain a share of the retail trade, the foreign distributon will find themselves gradually squeezed out as the Japanese oil interests become more firmly established. This is the more unfortunate in that the increased use of motor cars and automobiles throughout Manchuria has created a steadily expanding market for gasoline. On this point Japanese apologists argue that since the Japanese have been primarily responsible for this development it is but fair that they should reap the benefit of their enterprise.

When interviewed on the subject in Hsinking, N. Hoshino, Chief of the General Affairs Bureau of the 'Manchukuo" Department of Finance, informed this correspondent that it had been definitely decided to introduce an oil monopoly system about December next but that the details had not yet been worked out. Asked how this development might be expected to affect the foreign oil companies, which now are able to operate throughout Manchuria without restriction and occupy a predominant position in the retail trade, Mr. Hoshino replied that in future they would have three opportunities of continuing to do business. They could sell crude oil to the refinery at Dairen, they could sell refined oil to the government bureau, and they could act as "dealers," sharing the retail market with Japanese competitors. Foreign oil company officials derive small comfort from these assurances, however, pointing out that the opportunity of selling either crude or refined oil in bulk would offer little or no compensation for the curtailment of their retail market, where the real profit lies. Overproduction, it seems, has depressed prices to the point where the Japanese could obtain their own bulk supplies at a figure much below that at which it would pay the foreign companies to land them at Dairen....At present 80 per cent of the retailing of refined oil is in British or American hands, Japanese and Soviet interests sharing the remaining 20 per cent. Out of a total of approximately 28,000,000 gallons imported into Manchuria last year, a British concern, the Asiatic Petroleum Company, supplied 10,624,000 gallons. It is clear that, despite the protests which have been lodged in Tokyo by the embassies concerned, the "Manchukuo" authorities intend to bring about a readjustment of this situation in favor of Japanese oil interests.

American Motor Assembly Permit Cancelled

It is difficult to determine how far the decision to introduce an oil monopoly can be attributed to the desire of the Japanese military authorities to secure government control of the oil industry for genuinely strategic reasons, and how far pressure from Japanese commercial interests anxious to secure a larger share of the profits. That the Kwantung army is prepared to go to extreme lengths, however, to enforce its control over "Manchukuo" economic policy is clearly demonstrated by a case which occurred recently in Dairen. With the permission of the government of the Kwantung leased territory, which is of course under Japanese control, a Japanese-American Company, in which American interests held 25 per cent of the stock, was formed for the purpose of assembling American automobiles in Dairen. Land was purchased, building contracts were let and machinery was ordered from America. Then the Japanese army stepped in and the Kwantung government found itself compelled to cancel the permit it had granted. The reason given for this sudden *volte face* was that the army did not wish to have a private concern in Dairen assembling motor cars in competition with a semi-official company which has been established in Mukden to assemble trucks and busses, using Japanese motors and parts.

The moral of this has not been lost upon foreign mining and other interests which are studying investment possibilities in "Manchukuo". There would appear to be no reason why what happened in the case of the Dairen company's automobile project might not be repeated with even more disastrous results in the case of a gold mine or some equally expensive venture. Hence the policy adopted in most foreign quarters is to wait until the economic policy of "Manchukuo" has become more clearly defined than at present, when the frequently clashing interests of at least five different authorities have to be taken into account. These rival authorities are the Kwantung army (who have the biggest say of all), the Japanese Embassy (representing the wishes and views of the Japanese Government), the South Manchuria Railway Company, the Kwantung Government and, fitting somewhere or other into this confused picture, the "Manchukuo" Government itself. Pulling strings from behind are chauvinistic Japanese business elements seeking to turn every possible opportunity to immediate advantage. It is clear that the final form of Japanese control over Manchuria has not yet been decided and that foreign investment will remain a risky business until this question is settled.

Manchukuo's Oil Monopoly Law Approved by State Council

The law establishing the government monopoly on oil was approved at Changchun Nov. 13 and was promulgated Nov. 14.

More important points of the new law, which has been the subject of international controversy since July, follow:—

All oil transactions in Manchukuo become a government monopoly, with manufacture, importation and exportation of oil permitted only under state licence.

All imported or manufactured oil is to be purchased by the government.

The distribution of oil will be exclusively in the hands of licensed agencies. The government reserves the right to sell oil directly to consumers, should it deem such a step necessary. The government may order oil distributors to hold special reserves.

No ordinary merchant is allowed to manufacture, import or export oil without a state permission. Exception is, however, made for kerosene.

Should it deem it necessary, the Government may order the oil concerns to furnish business reports to the Government or to make improvements in their equipment.

The Manchurian Oil Situation in a Nutshell

The situation as regards oil in Manchuria is substantially as follows: Technical experts at Changchun estimate that of the annual demand of 16,000,000 gallons of gasoline required in Manchuria, 5,700,000 gallons is destined for military needs. The Japanese hope to supply from their own resources about 9,200,000 gallons, leaving approximately 6,800,000 gallons to be imported from abroad. The internal production is expected to be divided among the newly established Manchuria Petroleum Company (3,600,000 gallons), Fushun Oil Shale Plant (3,123,000 gallons) and other companies (2,500,000 gallons). Of the annual demand of 40,500,000 gallons of heavy oil the Fushun plant and the Manchuria Petroleum Company are expected to be able to supply approximately 50 per cent within the next few years, leaving 2,000,000 gallons to be imported from abroad. Annual imports of kerosene from abroad are expected to reach 12,100,000 gallons, of the 21,000,000 annual demand, and imports of machine oil are expected to amount to 1,400,000 gallons of the 3,500,000 gallons annual demand.